

Automobile Insurance Number

The National Underwriter

FRIDAY, APRIL 14, 1933

1912

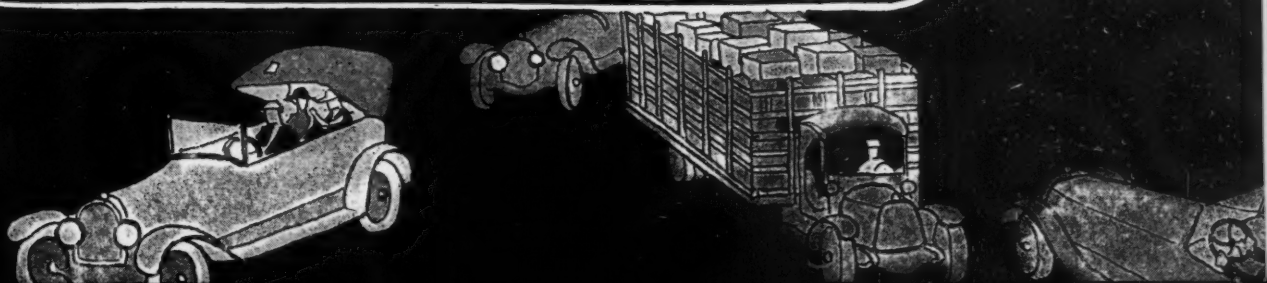
1933

American Automobile Insurance Co.
American Automobile Fire Insurance Co.
St. Louis

Maintain a specialized service on a nation-wide scale through a network of General, Regional and Local agents throughout the United States and Canada and Branch Offices located in the following cities:

Boston	Milwaukee
Chicago	New York
Columbus	Philadelphia
Detroit	San Francisco
Indianapolis	St. Louis
Los Angeles	Seattle

INSURANCE ON AUTOMOBILES EXCLUSIVELY



AUTOMOBILE INSURANCE

FIREMAN'S FUND GROUP

*Fireman's Fund Insurance Company
Home Fire & Marine Insurance Company
Occidental Insurance Company
Fireman's Fund Indemnity Company
Occidental Indemnity Company*

New York • Chicago • SAN FRANCISCO • Boston • Atlanta

The Fireman's Fund
was the first American
Company to write
Automobile Insurance
on a nationwide scale.
Year after year it
has occupied a front
rank position.



Strength***Dependability******Service*****The London & Lancashire Insurance Company, Ltd.****London & Lancashire Indemnity Company****Law Union & Rock Insurance Company, Ltd.****Safeguard Insurance Company****Orient Insurance Company**

The conservative investment policy and the consistent underwriting practice which have characterized the management of this group of companies are responsible for their sound financial position, which is now, more than ever, so important for the adequate protection of their policyholders and a source of satisfaction and relief to their local agents. Their automobile service has been outstanding for over twenty years.

***Departmental Offices at*****Hartford, New York,
Chicago and San Francisco**

What do You Look for in The Companies You Represent?

You want strength and safety, don't you, both for your own sake and for the protection of your clients. You want a company with plenty of experience on all automobile lines, including trucks, fleets, school buses, garage and dealer's lines, truckers and shippers.

You want a company with a reputation for handling claims promptly and fairly. You want a company that cooperates with you, that knows the agent's viewpoint.

The strength of the Ohio Farmers has been developed through 85 years of service to property owners. Since 1848, the Ohio Farmers has met all tests, satisfied all claims, fulfilled every obligation. Thousands of

policyholders testify to that. And Ohio Farmers agents, many of whom are the sons of agents and the grandsons of agents, know the Ohio Farmers as "an agent's company."

A special underwriting department of the Company, under the direct supervision of the Secretary, J. C. Hiestand, provides outstanding service to agents on all automobile lines. The great growth of Ohio Farmers premiums in these lines is not due to magic. It is due to popular forms, simplified rates, and intelligent help from the home office.

What you want in an automobile writing company you will find in the Ohio Farmers.



OHIO FARMERS INDEMNITY COMPANY IS OWNED AND OPERATED BY

**OHIO FARMERS
INSURANCE CO., LEROY, O.**

The National Underwriter

Automobile Insurance Number

Total Automobile Premiums for All Classes Decline 14 Percent

AUTOMOBILE insurance premiums for all classes of carriers decreased 14 percent in 1932, compared with 3.4 percent in 1931 and 7 percent in 1930. The total premiums for all classes of carriers were \$409,369,007 in 1932, compared to \$476,000,000 in 1931, \$492,000,000 in 1930 and \$530,000,000 in 1929.

The stock casualty companies felt the full effect of the business depression for the first time by showing a 13.3 percent decrease in volume. Their 1932 total was \$233,359,158 compared to \$268,124,263 in 1931. The full coverage and specialty companies wrote \$23,217,236 in premiums in 1932, or a decrease of 14.3 percent. Stock fire companies totaled \$74,493,576 in premiums in 1932, a decrease of \$21,708,554 or 22.1 percent.

The mutual companies had the best experience of all classes of carriers with \$60,317,055 in premiums, a decrease of \$1,817,489 from the 1931 total or 2.9 percent. Reciprocals and Lloyds wrote \$18,492,842 in automobile premiums, a decrease of \$4,365,226 or 19.2 percent.

OF the grand total, stock casualty companies wrote 56.9 percent, compared with 56 percent in 1931 and 50.8 percent in 1930. Stock fire companies wrote 18.4 percent of the grand total, compared to 20 percent in 1931 and 23.1 percent in 1930. The mutuals wrote 14.6 percent of the total, compared with 13 percent in 1931 and 12.2 percent in 1930. The full coverage companies wrote 5.6 percent of the grand total in 1932, 6 percent in 1931 and 8.1 percent in 1930. Reciprocals accounted for 4.5 percent in 1932, 5 percent in 1931 and 5.8 percent in 1930.

With the exception of the stock casualty companies, loss ratios were more satisfactory in 1932. The stock casualty companies' ratio jumped from 50.2 percent in 1931 to 54.1 percent in 1932, while the stock fire companies reduced their loss ratio from 58.7 percent in 1931 to 57.7 percent in 1932. The full coverage companies also showed an improvement with 52.8 percent in 1931 and 50 percent in 1932. The mutuals' loss ratio declined slightly from 41.4 percent in 1931 to 40.1 percent in 1932. The reciprocals' loss ratio was 50.1 percent in 1932 and 49.5 percent in 1931.

Stock casualty companies were led in automobile premiums by the Travelers with \$15,950,736 in premiums, compared to \$17,993,433 in 1931, a decrease of 11.3 percent. The Employers Liability was the only one of the big ten leaders to show an increase in premiums with a total of \$11,219,366, as compared with \$10,223,863 in 1931, an increase of 9.8 percent, or \$995,503. The Hartford Accident showed a slight decrease of 4.1 percent, with a \$11,145,869 total, while the General Accident showed only 3.1 percent with a \$9,475,668 total. The United States Fidelity & Guaranty and the Maryland Casualty came next in the \$8,000,000 class, followed by the Fidelity & Casualty and the Aetna Casualty in the \$7,000,000 class, with the Globe Indemnity and the Aetna Life in the \$6,000,000 class.

THE stock fire companies were again led by the General Exchange with \$8,319,653 in premiums, a decrease of \$3,622,673 or 30 percent. The Home of New York came second with \$3,973,391, a decrease of 20 percent. The Fireman's Fund with \$2,527,132 was third, followed by the American Automobile Fire, the Hartford and the National of Connecticut. The St. Paul Fire & Marine, which ranked seventh, showed the best experience of the larger fire companies with a \$2,137,681 premium volume, a decrease of only 1.4 percent. The Aetna and the Travelers Fire also held up their premium volume better than the average, with decreases of around 12 percent. The North America was the other company composing the big ten.

THE mutual companies were led in automobile premiums by the Lumbermen's Mutual Casualty with a total of \$11,494,692, an

increase of 11.7 percent, followed by the State Farm Mutual of Illinois with \$6,371,153 and the Liberty Mutual of Massachusetts with \$6,049,525, the latter company showing a 17.5 percent increase over 1931. A number of mutuals reported increases in premiums in 1932, including the Hardware Mutual Casualty, the American Mutual Liability of Massachusetts, the Factory Mutual Liability of Rhode Island, the Utica Mutual of New York, and the Farm Mutual Auto of Ohio.

The Chicago Motor Club led the reciprocals and Lloyds in premiums with a total of \$2,877,600, a decrease of \$930,047, or 24 percent. The Automobile Club of Southern California was second with \$2,569,233, a decrease of \$904,756 or 26 percent, followed by the Detroit Automobile Club with \$2,248,744, a decrease of \$570,204, or 20 percent. The State Automobile Association of Indiana was fourth with \$1,755,512, and the Farmers Automobile Inter-Insurance Exchange of California was fifth with \$1,329,753, followed by the California State Automobile Club with \$1,115,060.

THIRTEEN company fleets wrote \$5,000,000 or more in automobile premiums in 1932, compared with 16 in 1931. The Travelers again led the field with a total of \$24,045,556, followed by the Royal-Liverpool with \$15,604,284 and the Aetna Life with \$15,155,350.

The 13 fleets in the \$5,000,000 or more class wrote \$150,000,000 in premiums in 1932, or 37 percent of the grand total for all types of carriers. This was a decrease of \$21,000,000 or 12.3 percent, compared to general average of 15.5 percent for all stock companies writing automobile business.

Motor vehicle registrations decreased 6 percent in 1932, there being 24,356,541 on Jan. 1, 1933 compared to 25,982,389 the year before. Of the total now registered, 21,177,633 are passenger cars.

THE fact that there is an unprecedentedly large proportion of old cars in use today causes a decrease in premiums without, however, permitting the companies to reduce correspondingly the expense of handling. There are just as many policies issued as in former years but the individual premium is less, thousands of minimum premiums being recorded.

AUTOMOBILE INSURANCE EXHIBIT FOR 1932

Class of Companies	Net Prems. \$	Percent of Total	Decrease in Prems. \$	Percent Decrease	Paid Losses \$	Loss Ratio 1932	Loss Ratio 1931
STOCK CASUALTY ...	233,359,158	56.9	34,665,105	13.3	125,419,560	54.1	50.2
FULL COVERAGE	23,217,236	5.6	3,873,631	14.3	11,591,671	50.0	52.8
STOCK FIRE	74,493,576	18.4	21,708,554	22.1	42,812,114	57.7	58.7
MUTUALS	60,317,055	14.6	1,817,489	2.9	24,235,255	40.1	41.4
RECIPROCALs.	18,492,842	4.5	4,365,226	19.2	9,270,090	50.1	49.5
TOTAL	409,369,007	100.0	66,430,006	14	213,312,232	...	...

Exclusions, Restrictions *to* Look for in Liability Policies

BY WILLIAM MacINNES

Manager Automobile Department, American Surety and New York Casualty

THE enormous growth which has taken place in automobile casualty insurance and the comparative newness of this line as compared with fire insurance, for example, have provoked many problems for those responsible for its administration. Consequently, there has been little time available to devote to the many necessary refinements which experience has shown in other lines to be essential to secure the best results.

Among such refinements, and of major importance, may be placed the subject of policy contracts. There is no standard automobile casualty insurance policy contract, except in stated jurisdictions and for certain coverages only, although there is a predominant opinion among producers that automobile casualty policies are more or less the same, notwithstanding the differences in premiums charged by the various kinds of carriers. How fallacious is this opinion! Let us consider the facts. The companies which are members of the National Bureau of Casualty & Surety Underwriters, through the collation of experience developed by other member companies, are enabled to arrive at the cost price of sound protection in those jurisdictions where such studies are made with the obvious advantage to the insuring public of enabling premium charges to be developed which will insure all claims being liquidated and at the same time maintaining solvency of the insurance carriers. No matter what kind of business enterprise is considered it must inevitably go under if it continually transacts its business at a loss. Moreover, magnitude of figures is no exception to this fundamental rule.

The pages of insurance history contain innumerable examples from which those entrusted today either with the placing of a policy for a client, or the acceptance of a line as an underwriter for a carrier, may observe the lessons of the past and utilize such knowledge in the conduct of daily affairs. Thus we ought to be enriched by the experiences of the past.

The differences in the policy contracts of those companies which charge the rates promulgated by the National Bureau are such that they would not affect the developed premium; but when considered from the standpoint of the individual policyholder the matter is entirely different. Carriers which depart from these rates must equalize the differences. A usual method of equalization is by a restricted form of policy contract where certain claims will fall upon the insured instead of upon the carrier. Agents should always analyze the policy contract of the carrier which offers the so-called same insurance for less cost.

The following points extracted from current policies may be useful for the guidance of producers in analyzing policy contracts and pointing out serious defects to clients:

The policy which agrees "to pay all sums which the assured shall become liable to pay as damages, either direct or consequential imposed by law . . ." is immeasurably superior to the contract which does

not so specify the damages in view of the decisions of the courts in Ohio and New York states.

The old-fashioned and objectionable wording, "to insure, or to indemnify against loss," has been largely replaced. One may not be considered to have suffered loss until the amount of a judgment has been liquidated.

Some policy contracts provide that the carrier shall pay all interest accruing after entry of judgment in connection therewith, until such time as the company has paid, tendered or deposited in court that portion of such judgment as does not exceed the company's liability under the policy, while others limit the interest to the amount of the policy limit. A material difference from the assured's standpoint where there is a protracted litigation and interest on a judgment in excess of the policy limits is running against the assured instead of against the carrier.

The following items have been culled from a number of automobile casualty policies:

"Additional assured (omnibus coverage) clause which provides protection to any person or persons while riding in or legally operating any automobile specified. . . ." Is an automobile legally operated if it is driven in excess of the speed limit? The writer thinks not! Consequently there may be no coverage provided under such circumstances by the policy contract which is thus worded, and such wording is quite frequently used.

A policy with the wording, ". . . any person while riding in any automobile described or while operating any automobile described with the permission of the assured . . ." is preferred by a discriminating purchaser of insurance.

Consider a policy with the following exclusion: "This policy does not cover while the insured automobile (if it is of the commercial and/or truck type) is being operated, maintained or used for passenger carrying purposes." Where the driver of an assured's truck picks up a passenger, unknown to the assured, and an accident occurs in which the passenger is seriously injured, the assured would be without protection. It is not difficult to convince such an assured he ought to pay a little more for real protection.

This same policy in which restrictions occur does not provide for payment for consequential damages and it also has the objectionable words, "legally operating," in the additional assured



Automobiles need to be protected from every type of damage. This tree, which was blown over in a storm, completely demolished the automobile parked near it. —International Photo.

clause which has already been the subject of comment.

The policy which excludes the transportation of explosives would be obviously useless to a contractor whose business includes incidental handling of explosives, and it would likewise be useless to many others because of this restriction. The wide application of the word, "explosives," renders such an exclusion, without being more specific, objectionable.

No coverage for an employee who may be injured after business hours appears in a policy. An employee driving in a friend's car which collides with the car of an assured after the close of business, might bring suit against the assured and under a policy with such a restriction, the assured would be called upon to defend and pay any judgment imposed upon him by law.

It is surprising to find that certain prudent business men have accepted without question policies with the following provisions, and without a real understanding of the contract into which they have entered:

"In consideration of the payment of the premium as herein provided, the declarations of the assured herein contained, and the execution of a power of attorney to the . . . company, attorney in fact (hereafter called the company), authorizing it to execute reciprocal or inter-insurance policies between the assured and other subscribers to . . . Indemnity Exchange said subscribers represented by . . . Company, Attorney in Fact.

"To avoid multiplicity of suits, the assured agrees that all actions or suits at law, or in equity, brought by assured or on assured's behalf by reason of any claims arising under this policy against subscriber or subscribers to exchange shall be brought against . . . Company, Attorney in Fact, for the . . . Indemnity Exchange. Each of the subscribers agrees that the final decision of any such suit shall be accepted as decisive of a similar claim against each of the subscribers arising out of the same accident so far as the same may exist under this policy. The company is hereby authorized to receive and admit service of process on behalf of the assured in any suit or other proceedings begun or maintained as aforesaid."

It is sometimes difficult to find exclusions and restrictive conditions in policy contracts as they are not infrequently placed in obscure positions. It is expedient, therefore, to read the contract carefully and determine what it covers, what it excludes and the ability of the carrier to pay as these are more important from the standpoint of the policyholder than price.

(CONTINUED ON PAGE 22)



This collision in New York City resulted in a complete wreck of the car on the left. The picture shows the extent of damage that can be caused by collision of fast driven automobiles.—Acme Photo.

Sell Related Lines For Complete Protection

By CLARENCE T. HUBBARD

Assistant Secretary Automobile of Hartford



CLARENCE T. HUBBARD

THERE are several covers which, while not classified under the category of automobile or motor vehicle insurance, nevertheless are very closely associated and should be understood, because these coverages and the hazards which they insure are quite akin to the general subject of motor vehicle insurance protection.

For instance, the question has been asked: "Is there any policy which will protect a property owner against damage to his property by motor vehicles?" The question means—aside from automobile property damage—a policy which the property owner can buy? The answer is that there is such a policy, and it is known as the aircraft and motor vehicle property damage policy. It is a rather simple contract in its insuring clause and in its operations, but it still is unknown to an extent that it is greatly misunderstood, and the feature which is misunderstood more than any other is the coverage afforded under this policy against damage by automobiles.

This policy protects an assured against any loss or damage caused to his property insured by falling aircraft. This means that if a crashing airplane, or a man jumping out of an airplane in a parachute, or a disabled dirigible, or anything falling from any aircraft, should demolish one of his fences, or damage his shrubbery, or strike his garage, he would be protected. The total property is protected from damage by falling aircraft—sidewalks, hedges, pergolas, trees and even the earth, itself. That is, of course, providing he has insured in accordance with the coinsurance requirements, though frequently this policy is issued without coinsurance. There are conference rates for either scheme.

Now the motor vehicle damage feature of this policy is not quite so broad. The aircraft and motor vehicle policy does not insure damage to all property from motor vehicles, but only certain portions. These certain portions are confined exclusively to the dwelling and the contents of the dwelling, and the garage and the contents of the garage. There is no coverage beyond this, and this point seems to be so greatly misunderstood and misinterpreted. In other words, the policy affords no protection in the way of damage by motor vehicles to fences, sidewalks, shrubbery, trees, or any objects or property of this character. Occasionally some underwriter will permit the extension of the policy to include some of these objects if a deductible feature is considered and an increased or loaded premium. As a general practice though such insurance is declined and it positively is not provided for under the policy and should be so understood. The aircraft and motor vehicle damage policy also excludes any damage by

motor vehicles to the property, if such motor vehicles are owned by the assured or kept on the assured's premises.

Therefore, agents selling this policy should realize that if any coal or oil truck enter a man's property and crushes his sidewalk, or cracks the flagging, that such damage is not covered. If an automobile leaves the highway, due to a mechanical break-down or some misjudgment of the driver, and causes damage to the assured's trees, shrubbery, fences or vines, such damage is not covered under the policy. Such loss would be recoverable, of course, under automobile property damage, providing the driver of the automobile was so covered.

In further illustration of the many ramifications of insurance and the possibilities which can not be envisioned in advance, let me cite an instance of a loss which would have been collectible under the motor vehicle portion of the aircraft property damage policy. On a night of a blizzard, the wires leading into the house of a property owner, and which were stretched across quite an expanse to a telegraph pole, became coated with ice, and finally dropped within a foot or two of the road. On account of the blinding snow, these wires were not observed by a motorist, who crashed into them and pulled the entire service out of the house. However, before the property owner could get to the street, the automobile had gone and the broken wire was lying in the street sputtering with electricity. Inasmuch as the property owner was unable to find the automobilist and try to collect from him on the assumption that he might have been carrying automobile property damage insurance,

he was able to collect this loss under the motor vehicle damage policy of his house. It was damage to the permanent attachments to his house.

This was a loss never anticipated in the creation of the policy and not an illustration you can use in creating the sale of a policy, but it goes to show that complete protection is of importance to a property owner. You can never tell what the event may be that will make a policy operative.

There is another little question of misunderstanding in connection with automobiles and insurance, which might be cleared up. In the simple explosion insurance policy, which many property owners carry on their dwellings or buildings which they own, there is a clause in the form which excludes any loss to motor vehicles. This is misleading because that clause does not mean that any explosion loss to automobiles is not covered. Some of the insurance companies are attempting to refine this clause a bit by excluding the loss in a better definition—the exclusion of any explosion losses originating within internal combustion engines. An automobile engine is propelled by explosions, and naturally, any loss in that direction is excluded, for the explosion policy does not contemplate any engine break-down. However, there are certain explosion losses which can occur in a motor vehicle, and if that motor vehicle is in the garage or in the building which is insured against loss or damage by simple explosion insurance, such losses would be recoverable under the simple explosion insurance policy. I refer to an explosion which might occur in an automobile or a truck by reason of the gas tank exploding. Or due to a malicious explosion, if someone should place a bit of dynamite or some explosive material in an automobile. Such a case occurred a few years ago, when some dynamite was fastened in an automobile in malicious intent, whereby the starting of that automobile caused the dynamite to explode. Any explosion occurring in an automobile stored on the premises insured under a simple explosion policy would

be covered, providing that explosion does not originate in the engine.

Another insurance thought is found in explosion legal liability property damage insurance, which, when first introduced, was purchased only by utility companies, particularly gas distributing stations or property owners who possessed a pronounced inherent explosion hazard. However, the service of this particular form of insurance has spread and now property owners in many instances have endorsements attached to their simple explosion policy which extend it to assuming any loss or damage in the way of claims brought against them by other property owners whose property was damaged by explosions originating on the premises of the assured.

This has a relation to automobiles—a dwelling
(Cont. on Page 22)



Here are two excellent reasons why automobile fire insurance is a good investment. In the photograph above the truck was set ablaze when gasoline ignited from a back fire. The truck was loaded with electric wash machines and little was salvaged. The cars at the right were parked in a garage at Floral Park, L. I.—Keystone and Acme Photos.



Let's All Be Rate Cutters!

Assureds, Brokers, Agents, Companies
—each one of us can and should do
our part to reduce accidents—to stamp
out fraudulent claims.

Rates?—Competition?—Sales Resistance? These are not the chief problems before us—The basic problem of Automobile business today—and it is a problem to be dealt with by every one and every organization—is Accident Prevention. Rates will not come down until the number and severity of accidents are reduced—let's all cut the rates by cutting accident frequency and claims cost.

It can be done.

◆

Will Wright
Field Correspondent

THE YORKSHIRE
INSURANCE CO. LTD.
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FIRE & MARINE AND THE
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90 JOHN STREET ---- NEW YORK CITY

Factors to Be Checked in Underwriting

By **AMBROSE RYDER**

Vice President Great American Indemnity

UNDERWRITING the average automobile risk is like shutting your eyes and picking the ace of spades out of a deck of cards. The daily report that comes to the home office furnishes but meager information. This may be supplemented with a confidential report which gives the home office a better picture of the risk.

An underwriting factor is any feature of the risk that may influence its acceptability. Of all the factors to be considered, only three or four play any part in the actual rating of the risk. The other factors are left out of the rating program because they do not lend themselves readily to mathematical calculation. These non-ratable factors are often a great deal more important than the ratable factors, which explains why the loss ratio of an agent's business depends more on his knowledge of underwriting than it does on his knowledge of rates.

Nine-tenths of the underwriting should be done by the solicitor and the agent to whom he reports. These men are on the firing line and know the individual assureds and local conditions that have an important bearing on acceptability. The home office underwriter may take credit for good underwriting results but the real credit belongs to the agents who select their business.

Underwriting Factors Depend on Type of Risk

Underwriting factors are dependent on type of risk. The considerations that govern the acceptability of a private passenger car risk are quite different from those that govern the acceptability of a bus risk or a non-ownership policy.

Some of the underwriting factors to consider in connection with the ordinary private passenger car risks are:

Make of car: Although make of car has a great deal to do with the determination of rates, it is not a very important underwriting factor.

Condition and age of car: The older the car and the more it rattles, the better it is for liability and property damage insurance, other things being equal. These last four words are important. The right kind of an assured will keep the brakes in good condition, no matter how old the car gets.

Territory: The territory has a great deal to do with the hazard and is an important factor in the rate. However, it takes two or three years to gather reliable experience on a given territory. Underwriters usually know before the experience has been tabulated, that certain territories have gone sour. Territories occasionally change for the worse because of increased ambulance chasing activities and fraudulent rings. Likewise, a bad territory can change for the better if an honest clean-up campaign has been put into motion by local authorities, or if a local safety movement has taken hold.

Occupation of Assured Guide to Underwriter

Occupation: The occupation of the assured is a guide to the underwriter, although occupation itself has very little to do with the hazard, except as it requires the regular use of the car in the business of the assured. The fact that a man happens to be running a restaurant does not make him a worse risk than another man in the grocery business, except that the restaurant business happens to have a larger percentage of impaired risks. The underwriting of risks therefore by occupation is like burning down one barn to get rid of the rats, but keeping another

barn that has only one-half as many rats in it.

Who will drive the car: Since the person at the wheel is responsible for 99 percent of the accidents, and not the car, it is important to know how many people are going to drive the car, and something about their habits and abilities.

Temperament: The driver's temperament is an extremely important factor in the measure of hazard, but unfortunately there is no way of obtaining that information for practical underwriting purposes. Here is the opportunity for the solicitor and the agent



AMBROSE RYDER

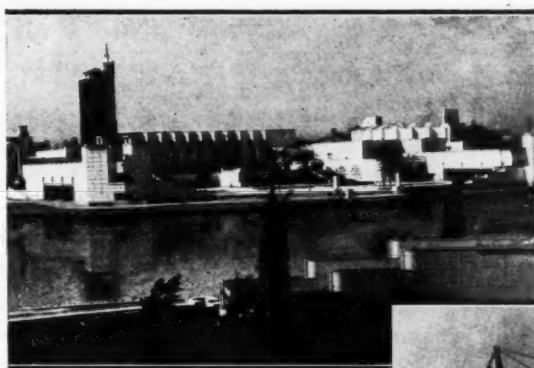
to be of invaluable assistance. The solicitor should make it his business to find out as much as he can about the characteristics of the man at the wheel, before placing a risk with his company. Some drivers have a mania for speed. Other drivers do not care so much for speed per se, but they just can not bear to see some one else pass them. Still other drivers love to show off their ability to take chances. The confidential reports ordered by the companies are of considerable assistance because a man's temperament is usually well known to his neighbors.

Average Woman Driver Better Risk Than Man

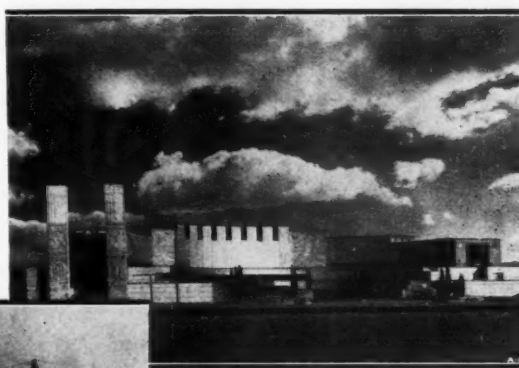
Sex: It is amusing to read every now and then how much worse women drivers are than men. It is impossible to gather reliable statistics on the subject but the average woman driver is a better risk than the average man. The man will have more self-reliance and is perhaps more skillful. He will get out of a tight place with more alacrity, but the woman driver is more conservative and will refuse to get into a tight place.

Woman assureds: The woman assured is a different matter, because there is often a man hiding behind the woman's skirts. Usually a car is insured in the name of the woman because it has been turned over to her for business reasons. Such a risk may still be just as acceptable to a casualty underwriter as it would have been if the car were still owned and insured in the name of the husband. However, the very fact that the husband has assigned his property to his wife is a warning signal. These risks are always investigated with great care.

Summer resorts: Risks insured at
(CONTINUED FROM PAGE 20)

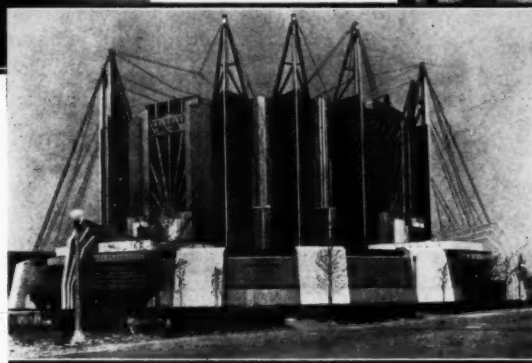


The "sky-hung" dome of the Travel & Transport Building at A Century of Progress is said to be the largest unobstructed area to be enclosed beneath a roof.



The semi-circular Electric Building above, is the last word in modern architectural fantasy with hanging gardens, electric cascades and fountains, gilded pylons and paved terraces. It will house exhibits portraying the generation, distribution and utilization of electricity.

The huge Hall of Science pictured above, 700x400 feet, is shaped like a U and encloses on three sides a court capable of accommodating 80,000 persons. At one corner rises a 176 foot tower equipped with a carillon. At night it is brilliantly illuminated.



Photos courtesy A Century of Progress

Modern---Progressive

A Century of Progress exposition on Chicago's lakefront which throws open its gates to the world on June 1 will be brilliant, daring and entirely in tune with the modern age which it reflects in its striking architecture and in its conception of portraying the advancement of mankind in the past hundred years.

The same progressive, modern spirit of A Century of Progress is found in the Illinois National Casualty, a proven stock company specializing in automobile insurance. The latest and most productive merchandising methods are available to our agents. Our policies designed to fill the needs of the present, nevertheless anticipate the requirements of the future. Best of all, they are sold at independent rates without any sacrifice of protection to your policyholders. If interested write the Home Office.

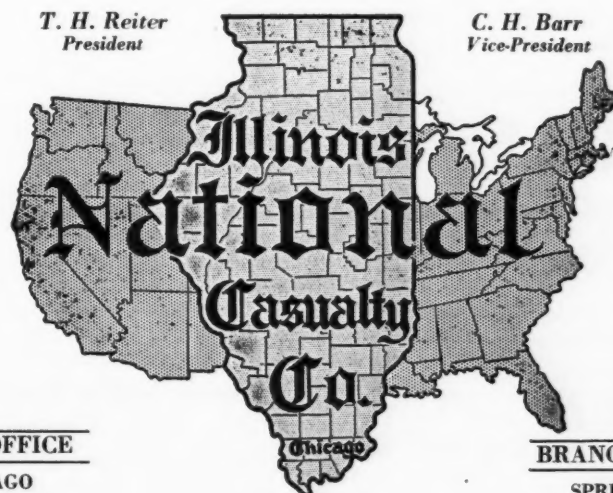
ILLINOIS SERVICE OFFICES

Kankakee
182 E. Court St. Phone: 90

Belleville
Advocate Bldg. Phone: 740

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540 N. Michigan Ave.
Whitehall 6802



C. L. Morris
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Vice-President

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BRANCH OFFICE

SPRINGFIELD
524 E. Capitol Ave.
Phone Capitol 133

A STOCK COMPANY SPECIALIZING IN AUTOMOBILE INSURANCE

Travelers and Royal Lead in Totals by Fleets

THERE were 13 company fleets writing \$5,000,000 or more in automobile premiums in 1932, compared with 16 in that class in 1931. The Travelers again led all other fleets with \$24,045,550 in premiums, a decrease of \$3,906,712, or 14 percent. The Royal-Liverpool fleet was second with \$15,604,284, a decline of \$1,810,697 or 16 percent. The Aetna Life fleet came third with \$15,155,350, a decrease of \$2,927,777, or 16 percent. The Employers fleet came next

with \$14,471,146, showing a gain over its 1931 total of \$13,748,853, followed by the Hartford with \$13,456,075. The America Fore fleet was sixth with a total of \$10,526,025, followed by the General Accident with \$10,077,409. All the other fleets were below the \$10,000,000 class.

The detailed figures of the fleets writing \$5,000,000 or more in automobile premiums are given below for both 1931 and 1932 including net losses paid as well as net premiums written:

	1932 Premiums	1932 Losses	1931 Premiums	1931 Losses
Aetna Life				
Aetna Cas.	\$ 7,501,739	\$ 3,469,432	\$ 9,254,592	\$ 3,132,081
Aetna Life	6,682,721	3,820,222	7,660,375	4,027,903
Automobile	932,244	401,867	1,148,932	460,373
Iowa Fire	23,954	6,253		148
Standard, Conn.	14,692	6,564	19,028	3,900
Total	\$15,155,350	\$ 7,704,338	\$18,083,127	\$ 7,625,405
American Automobile				
American Auto, Mo.	\$ 5,270,103	\$ 3,531,566	\$ 5,882,593	\$ 4,041,453
American Auto, Fire	2,493,507	1,083,600	3,107,068	1,494,918
Total	\$ 7,763,610	\$ 4,615,166	\$ 8,989,661	\$ 5,536,371



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	1932 Premiums	1932 Losses	1931 Premiums	1931 Losses
America Fore				
American Eagle	\$ 206,545	\$ 108,504	\$ 230,717	\$ 107,433
Continental	1,148,432	669,355	1,396,567	743,760
Fid. & Cas.	7,741,538	5,041,348	10,222,807	7,483,259
Fidelity-Phoenix	937,732	561,299	1,165,869	666,264
First American	62,236	41,790	84,339	48,034
Maryland	26,957	15,426	30,854	22,283
Niagara	402,575	199,974	476,081	221,270
Total	\$10,526,025	\$ 6,637,696	\$13,605,234	\$ 9,292,313
Employers				
Amer. Employers	\$ 2,610,322	\$ 1,496,150	\$ 2,673,327	\$ 1,615,728
Employers Fire	641,458	327,679	851,663	521,771
Employers Liab.	11,219,366	5,167,742	10,223,863	5,160,719
Total	\$14,471,146	\$ 6,991,571	\$13,748,853	\$ 7,298,218
Firemen's of Newark				
Commercial Cas.	\$ 3,481,531	\$ 2,259,490	\$ 3,941,316	\$ 2,073,331
Concordia	91,323	52,801	156,170	90,405
Firemen's	636,101	283,803	546,597	316,418
Girard P. & M.	91,323	52,801	156,170	90,405
Mechanics	91,323	52,801	156,170	90,405
Metropolitan Cas.	3,304,331	2,372,718	3,671,773	1,879,311
Milwaukee Mechs.	267,038	132,001	280,898	153,638
Natl. Ben Franklin	91,323	52,801	156,170	90,405
Superior	66,750	32,000	100,530	72,324
Total	\$ 8,121,072	\$ 5,292,216	\$ 9,174,792	\$ 4,856,642
General Accident				
General Accident	\$ 9,475,668	\$ 4,662,382	\$ 9,775,999	\$ 5,146,455
Potomac Fire	601,741	385,123	656,605	392,099
Total	\$10,077,409	\$ 5,047,505	\$10,432,604	\$ 5,538,554
Hartford Fire				
Citizens	\$ 7,700	\$ 4,278	\$ 9,639	\$ 6,105
Hartford	2,230,446	1,157,802	2,871,520	1,546,311
Hartford Acci.	11,145,869	5,878,616	11,624,723	6,361,863
N. Y. Und.	40,371	23,263	49,198	28,284
N. W. F. & M.	26,724	13,431	34,400	18,039
Twin City	1,956	2,557	7,147	4,666
Total	\$13,456,075	\$ 7,079,947	\$14,600,627	\$ 7,965,268
Home				
Baltimore Amer.	\$ 191,714	\$ 85,310	\$ 13,454	\$ 118,645
City of New York	492,232	282,681	519,256	502,352
Carolina, N. C.	1,820	731		
Franklin	830,830	527,821	1,025,785	753,543
Georgia Home	3,611	1,437		
Home	3,973,391	2,102,084	4,975,288	3,635,497
Home Indemnity	2,143,778	3,029,646	3,237,041	901,532
Natl. Liberty	517,657	374,113	733,698	509,477
New Brunswick	3,611	1,463		
Southern Fire, N. Y.	60,138	68,965	161,911	164,099
Total	\$ 8,219,562	\$ 6,474,251	\$10,877,433	\$ 6,585,145
North America				
Alliance, Pa.	\$ 156,798	\$ 83,429	\$ 239,435	\$ 128,246
Alliance Cas.	1,319,849	693,740	1,388,602	891,338
Central Fire, Md.	104,312	31,922	64,310	45,394
Indem. of No. Amer.	4,641,814	3,029,646	5,372,776	3,219,707
Ins. Co. of No. Amer.	1,430,334	724,122	2,011,255	1,077,263
National Secur.	18,140	12,575	53,981	32,231
Phila. F. & M.	93,562	44,365	119,717	64,123
Total	\$ 7,785,009	\$ 4,619,799	\$ 9,250,076	\$ 5,458,302
Phoenix of England				
Columbia, N. J.	\$ 57,218	\$ 27,658	\$ 68,627	\$ 33,517
Imperial	72,823	35,201	87,766	42,659
London Guar. & Acci.	3,035,597	1,390,517	3,214,646	1,572,267
Phoenix	280,889	135,777	332,125	164,541
Phoenix Indem.	1,448,643	723,869	1,716,807	827,070
Swiss Reins.	11,639	10,866	7,576	9,274
United Firemen's	78,025	37,716	92,600	45,706
Union Marine	31,210	15,086	56,817	18,282
Total	\$ 5,016,044	\$ 2,376,690	\$ 5,576,964	\$ 2,713,316
Royal-L. & L. & G.				
American & Foreign	\$ 83,660	\$ 39,297	\$ 134,851	\$ 54,180
British & Foreign	27,343	11,264	48,532	19,139
Capital, Calif.	11,940	5,514	16,182	7,636
Eagle Indemnity	1,419,942	828,829	1,617,486	862,597
Fed. Union	45,667	17,229	39,189	23,161
Globe Indem.	6,754,271	3,985,201	7,292,277	3,836,088
Liverpool & Lon. & Globe	706,951	284,582	628,899	370,581
Newark	216,097	109,885	332,438	151,452
Queen	445,719	245,598	630,884	339,352
Royal	587,079	337,035	930,776	424,976
Royal Indem.	5,168,705	2,790,647	5,594,690	2,916,027
Star	137,000	54,688	117,567	69,484
Total	\$15,604,284	\$ 8,710,469	\$17,383,791	\$ 9,074,672
Travelers				
Travelers	\$15,950,736	\$ 9,765,848	\$17,993,433	\$ 9,568,996
Travelers Fire	1,643,818	659,108	1,857,596	824,776
Travelers Indem.	6,451,002	2,718,665	8,101,239	3,634,943
Total	\$24,045,556	\$13,143,621	\$27,952,268	\$14,028,715
U. S. Fidelity & Guaranty				
Fid. & Guaranty Fire	\$ 973,675	\$ 548,168	\$ 1,213,508	\$ 626,358
U. S. F. & G.	8,978,046	5,493,847	10,313,118	6,058,236
Total	\$ 9,951,721	\$ 6,042,014	\$11,526,626	\$ 6,684,594

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A good volume of business from filling station proprietors has been developed by at least one agent by selling to those operators falling aircraft and motor vehicle property damage on their gasoline pumps. This agent uses the technique of patronizing the filling station two or three times, striking up an acquaintance with the manager and then casually asking whether the pumps are covered. Almost always, the response is: "Covered against what?" Then the agent explains the coverage, which is

exceedingly cheap and is written freely by the companies. Almost invariably, the filling station proprietor is interested. He sees the hazard and appreciates having it called to his attention. The agent who has been using this argument maneuvers to get control of all of the insurance of the filling station. Very few stations carry falling aircraft and motor vehicle property damage and this scheme offers possibilities.

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Stock Casualty Automobile Premium Total 233 Million in 1932

STOCK casualty automobile premiums decreased \$34,665,105 or 13.3 percent in 1932, with a total of \$233,359,158. This is the largest percent of decrease which stock casualty companies have ever shown, having had a .9 percent gain in 1931 and a 2.2 percent decrease in 1930. While the premiums decreased, the loss ratio jumped up to 54.1 percent, as compared with 50.2 percent in 1931, 48.8 percent in 1930, 46.3 percent in 1929. The losses totaled \$125,419,560 in 1932, compared with \$134,753,841 in 1931.

Stock casualty automobile liability premiums totaled \$177,155,723 in 1932, compared with \$195,945,011 in 1931, a decrease of 10 percent. Property damage premiums totaled \$49,934,035, a decrease of 18.1 percent. Collision totaled \$6,302,130, a 32.4 percent decrease. The loss ratio on the automobile liability was 58.4 percent in 1932, compared to 53 percent in 1931. The property damage loss ratio was more satisfactory, being 39 percent in 1932 and 41.6 percent in 1931. Collision losses decreased and the loss ratio was 57 percent in 1932 compared with 61.4 percent in 1931.

The Travelers again led the stock casualty companies in automobile premiums with \$15,950,736 in premiums, compared with \$17,993,433 in 1931, or a decrease of 11.3 percent. The Employers Liability, which was the only company among the leaders to show a gain, wrote \$11,219,366 in automobile premiums in 1932, an increase of 9.8 percent over its \$10,223,863 total in 1931. With this in-

crease the Employers Liability went from fourth to second place in 1932 in total volume. The Hartford Accident came third with \$11,145,869, or a decrease of 4.1 percent. The General Accident came up from sixth to fourth with a total of \$9,475,668, a decrease of 3.1 percent. The United States Fidelity &

to the big ten companies, ranked ninth with \$6,754,271, a 7.4 decrease, followed by the Aetna Life with \$6,682,721, a decrease of 12.8 percent.

In 1932 several companies showed gains of over a million in premiums, due in most part to reinsurance of other companies. The Consolidated Indem-

which brought the loss ratio down from 52.8 percent in 1931 to 50 percent. The full coverage companies had a little better experience on their liability lines than the stock casualty, with a loss ratio of 56.4 percent compared with the latter's 58.4 percent.

The American Automobile was again the first among the full coverage companies with \$5,270,103 in premiums, a decrease of \$612,490 or 10.4 percent. The Ohio Casualty was second with \$2,442,372, a decrease of only \$56,277, or 2.3 percent. The Pacific Indemnity with a \$2,338,834 total, showed a 7 percent increase from its \$2,185,655 total in 1931. The Western & Southern Indemnity is being transferred from the full cover to the stock casualty table, since a running mate now writes fire and theft.

Other leaders among the full coverage companies were the American Fidelity & Casualty of Virginia with \$870,807, an increase of \$51,307. The Buckeye Union Casualty had a total of \$620,458, which was \$15 more than its 1931 total. The Commercial Standard of Texas reported a \$689,906 total, showing a gain of \$313,513. The Indiana Insurance Company had a total of \$516,455 and the Mercer Casualty \$708,788. The Motor Vehicle Casualty had \$512,504, the West American \$687,364, and the United Pacific \$649,396.

The following table shows the stock casualty companies' premiums and losses, followed by those of the full coverage and specialty companies:

Ten Auto Stock Casualty Leaders

	1932		1931	Inc. or Dec. in	
	Premiums	Losses	Premiums	Premiums	% Dec.
Travelers	\$15,950,736	\$9,765,848	\$17,993,433	-\$2,042,697	-11.3
Employers Liab.	11,219,366	5,167,742	10,223,863	995,503	+ 9.8
Hartford Acci.	11,145,869	5,878,616	11,628,723	-482,854	-4.1
General Acci.	9,475,668	4,662,382	9,775,999	-300,331	-3.1
U. S. F. & G.	8,978,046	5,493,847	10,313,118	-1,335,072	-13.0
Maryland Cas.	8,034,572	4,864,957	8,667,068	-632,496	-7.3
Fidelity & Cas.	7,741,348	5,041,348	10,222,807	-2,481,280	-24.3
Aetna Cas.	7,501,739	3,469,432	9,254,592	-1,752,853	-19.0
Globe Indem.	6,754,271	3,985,201	7,292,277	-538,006	-7.4
Aetna Life	6,682,721	3,820,222	7,680,575	-977,854	-12.8

Guaranty was fifth with \$8,978,046 or a decrease of 13 percent.

The Maryland Casualty, which was eighth in 1931, went to sixth with \$8,034,572, a decrease of 7.3 percent. The Fidelity & Casualty totaled \$7,741,348, a 24.3 percent decrease. The Aetna Casualty had a \$7,501,739 total, representing a 19 percent decrease. The Globe Indemnity, which is a newcomer this year

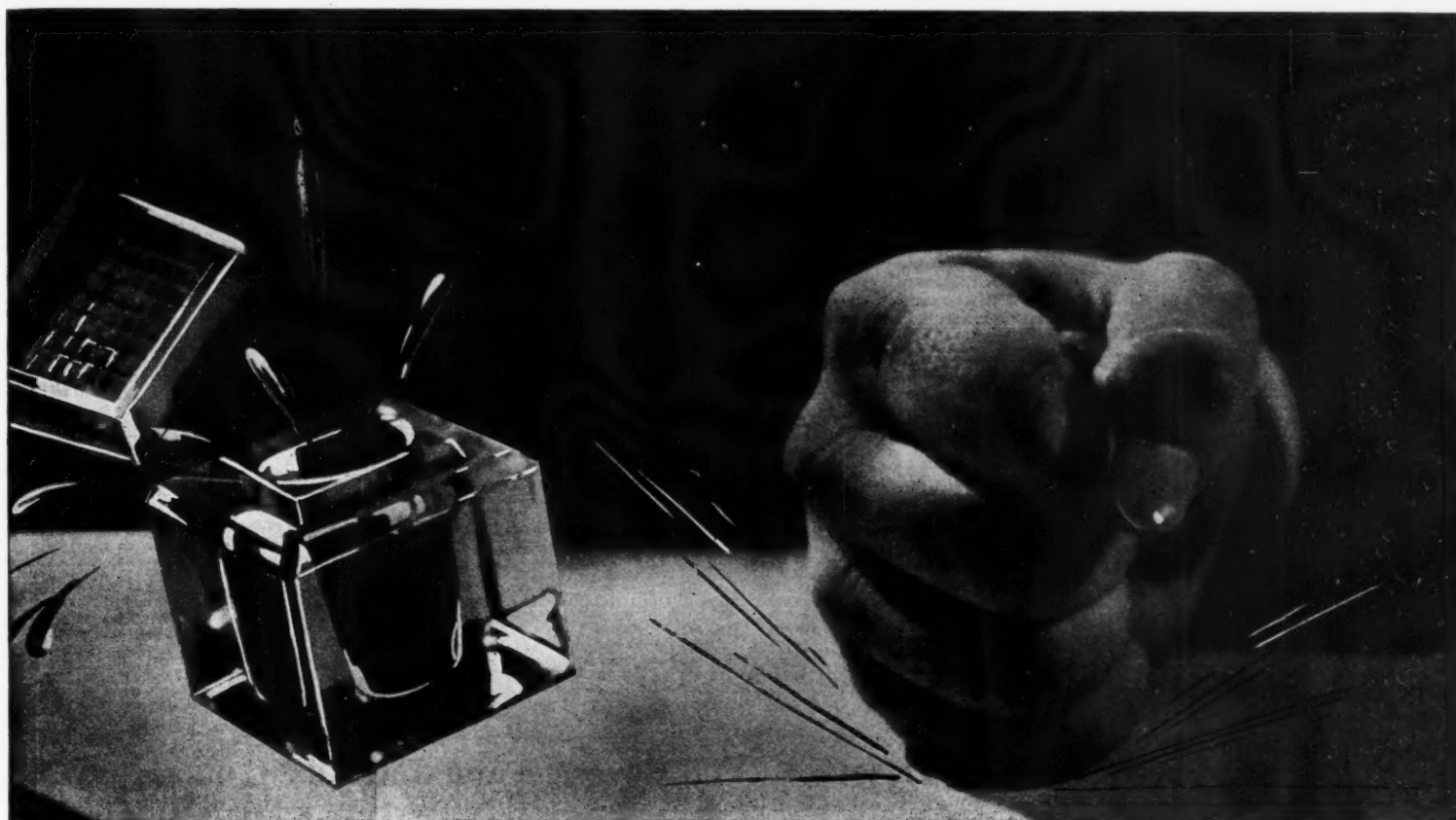
nity had an increase of \$1,709,142, the Glens Falls \$1,092,970, the International Reinsurance \$2,140,797 and the Ocean Accident \$1,083,562.

The full coverage companies experienced a 14.3 percent decrease in premiums in 1932 with a total of \$23,217,236 in premiums, compared with \$27,090,867 in 1931, when the volume decreased 20 percent. Losses totaled \$11,591,671

Automobile Premium and Losses of Stock Casualty Companies

	1932				1931				1930			
	Total Premiums	Losses	Loss Ratio	Inc. or Dec. in Premiums	Total Premiums	Losses	Loss Ratio	Inc. or Dec. in Premiums	Total Premiums	Losses	Loss Ratio	Inc. or Dec. in Premiums
Aetna Cas.	7,501,739	3,469,432	46.2	-1,752,853	9,254,592	3,133,081	33.8	337,097	8,917,495	3,927,722	44	...
Aetna Life	6,682,721	3,820,222	57.2	-977,854	7,660,575	4,027,903	52.6	377,358	7,283,217	4,075,993	55.9	...
Alliance Cas.	1,319,849	693,740	52.6	-68,753	1,388,602	891,338	64.2	-170,546	1,559,148	519,420	33.3	...
Amer. Cas. Pa.	1,067,386	675,034	63.3	-269,402	1,386,788	807,132	58.3	32,093	1,304,695	643,157	49.3	...
Amer. Employ.	2,610,322	1,496,150	57.4	-63,005	2,673,327	1,615,728	60.5	-11,935	2,685,262	1,369,510	50.9	...
Amer. Fidelity	171,781	75,431	43.9	-20,723	192,504	121,322	63.1	-23,301	215,805	103,760	46.7	...
Amer. Motorists	2,820,953	1,284,700	45.5	51,435	2,769,519	1,029,319	37.2	1,149,927	1,599,492	576,795	36.1	...
Amer. Policyholders	255,633	102,269	40.2	68,013	187,620	57,170	30.4	-16,620	204,240	64,674	31.5	...
Amer. Reinsurance	311,738	582,979	123.2	-345,209	656,947	507,925	77.4	-574,841	1,231,788	316,991	25.7	...
Amer. Surety, N. Y.	865,603	343,095	39.6	76,700	788,993	224,042	28.5	169,286	619,617	71,159	11.5	...
Assoc. Indem., Calif.	1,645,404	920,000	55.9	-20,383	1,665,787	720,522	43.3	451,070	1,214,717	544,786	44.8	...
Atlantic, Tex.	60,367	2,662	3.8	68,614	653	...	...	...	...	...	...	...
Bankers Indem.	2,398,192	1,638,270	68.3	205,847	2,192,732	1,192,732	54.7	375,443	1,817,012	1,200,119	66.2	...
Car & General	885,462	472,814	53.4	-217,879	1,103,341	482,771	43.6	264,848	838,857	426,609	51	...
Central Surety	1,905,548	1,096,195	57.5	127,301	1,778,247	857,364	48.2	328,922	1,448,325	608,449	42	...
Central West Cas.	1,265,497	710,365	56.3	85,693	1,179,804	625,720	53.1	32,075	1,147,729	530,789	45.2	...
Central Indem.	2,032,121	1,232,255	60.8	90,987	1,942,137	1,239,673	63.8	-1,231,602	3,173,736	1,361,464	42.2	...
Citizens Cas., N. Y.	1,017,666	377,158	37.1	90,576	927,000	357,758	41.2	472,651	454,439	197,242	43.7	...
*Columbia Cas.	584,111	357,503	61.4	-424,006	1,314,843	1,068,013	81.3	-566,500	1,881,343	1,127,856	60	...
Commercial Cas.	3,481,551	1,686,312	48.4	-459,765	3,941,316	2,073,331	52.9	152,114	3,789,201	2,464,014	65.1	...
Concord Cas., N. Y.	419,938	280,445	66.8	-289,256	709,194	193,172	27.3	214,278	494,916	48,014	9.7	...
Consol. Indem., N. Y.	4,284,301	1,292,618	30.2	1,709,142	2,575,059	958,243	37.2	868,187	1,707,872	402,132	23	...
Connect. Ind.	146,107	16,458	11.2	...	...	...	...	...	...	...	...	...
Continental Cas.	3,568,055	1,768,830	49.6	-776,589	4,344,624	2,133,587	49.2	51,882	4,292,742	1,553,202	36.3	...
Eagle Indem.	1,419,943	828,829	58.3	-197,543	1,617,486	862,597	53.2	-38,698	1,656,184	842,472	50.9	...
Employers Liab.	11,219,366	5,167,742	45.7	995,503	10,223,863	5,160,719	50.3	-1,041	10,307,904	5,037,199	49.9	...
Employers Reins.	3,554,308	1,602,539	45.1	-38,153	3,592,461	995,059	27.7	1,530,641	2,061,820	914,906	44.2	...
Eureka Cas.	456	-100	...	348	...	...	...	...	...	...	...	...
Europ. Genl. Reins.	1,773,335	1,372,832	77.4	-2,872,605	4,645,940	663,632	14.3	3,298,712	1,347,228	346,489	25.4	...
Excess, N. Y.	1,438,881	475,725	33.1	-55,001	1,493,882	225,552	15	1,002,572	491,311	207,073	36.1	...
Fidelity & Cas.	7,741,348	5,041,348	65.1	-2,481,280	10,222,807	7,483,259	73.2	505,631	9,717,176	5,583,588	57.4	...
Fire'n's Fund Indem.	1,058,297	323,036	30.6	76,248	992,049	112,380	11.3	949,440	42,600	216	.5	...
First Reins.	371,313	400,628	108	-570,751	492,064	230,370	46.8	551,179	390,885	56,294	14.4	...
General Acci.	9,475,668	4,662,382	49.2	-300,331	9,775,999	5,146,455	52.6	136,111	9,639,888	4,953,066	51.5	...
General Cas., Wash.	1,009,684	489,225	48.5	-155,143	1,164,827	486,244	41.8	433,656	731,717	334,525	45.8	...
General Cas., Wis.	407,130	250,137	61.5	-32,270	439,400	231,725	52.7	230,502	208,898	142,490	68.8	...
Genl. Indem., N. Y.	27,990	269,037	...	...	...	...	...	...	...	...	...	...
General Reins.	1,803,142	606,785	33.6	194,034	1,609,108	680,099	42.3	-240,210	1,848,901	872,111	47.8	...
Glens Falls Indem.	3,452,161	1,688,451	48.9	1,092,970	2,359,191	1,360,348	57.6	-520,563	2,879,754	920,499	32	...
Globe Indem.	6,754,271	3,985,201	59	-538,006	7,292,277	3,836,088	52.5	102,328	7,189,949	2,941,681	41	...
Great Amer. Indem.	2,721,900	1,324,020	48.6	-342,842	3,064,551	1,346,910	44	703,410	2,361,141	1,360,436	57.5	...
Guardian Cas., N. Y.	485,362	899,698	...	-968,809	1,454,171	744,809	51.1	187,528	1,266,643	395,350	31.1	...
Hartford Acci.	11,145,869	5,878,616	52.6	-482,854	11,628,723	6,361,863	54.8	60,551	11,508,172	6,012,320	52.1	...
Home Indem.	2,143,778	1,868,046	87.1	-215,663	4,299,841	901,532	21	2,788,120	1,511,721	43,908	29.1	...
Indemnity Cas.	396,150	220,546	55.7	34,949	361,301	100,748	27.8	148,323	212,878	73,446	34.2	...
Indem. of No. Amer.	4,641,814	3,029,646	65.2	-730,962	5,372,776	3,219,707	59.9	-607,204	5,979,980	3,394,334	56.8	...
Inland Casualty	2,871	307	10.7	...	...	...	...	...	...	...	...	...
International Reins.	6,002,732	2,209,316	36.8	2,140,797	5,006,636	1,956,024	39.1	1,274,176	2,587,700	713,502	27.3	...
Keystone Auto. Cas.	2,035,324	763,914	37.5	-157,049	1,472,240	559,876	38.0	72,127	2,120,246	679,619	31.9	...
Lloyds, N. Y.	2,724,286	1,610,500	59	1,617,847	2,324,232	1,351,375	58.2	-1,240,806	2,347,245	557,822	24.3	...
London & Lanc.	1,523,619	872,338	57.2	-228,429	1,133,932	710,940	62.7	-103,519	1,835,567	948,350	51.1	...
London Guar.	3,035,507	1,390,517	46.3	-179,049	2,399,666	1,093,392	45.6	-990	3,215,656	1,787,916	55.5	...
Madison, Ind.	16,483	50	...	11,708	...	...	...	...	...	...	...	...
Mfrs. Cas., Pa.	805,878	407,004	50.5	-189,462	597,027	214,137	35.9	-195,147	761,850	283,259	37.2	...
Maryland Cas.	8,034,572	4,864,957	60.6	-632,496	8,978,046	3,956,937	44.0	...	8,862,215	4,640,806	52.3	...
Mass. Bonding	3,342,106	2,095,200	62.7	-622,512	2,548,752	1,800,814	70.7	...	3,834,094	2,076,679	54.1	...

(CONTINUED ON NEXT PAGE)



Let's Get Back to Fundamentals!

THE basic argument that sold Automobile Insurance in the early days of the line, still packs the punch it has always had. Your prospects and customers must be told simply and effectively that "You just can't afford to take the chance of driving without it."

Emphasize the risks the uninsured motorist runs. Explain that both the number and severity of injuries, *per accident*, is

growing and that more and more serious injuries mean more and larger damage claims. Point out the difficulties that an *uninsured* motorist faces in trying to raise money to pay a damage award—at present prices of property or securities.

The law of negligence and liability has not been repealed or modified. Damage awards have not declined like the cost of living.

In the next few months your energy and enthusiasm can make many automobile owners want the protection which Automobile Insurance affords, much more than auto owners want the dollars which they must pay for such insurance.

THE TRAVELERS

THE TRAVELERS INSURANCE COMPANY

THE TRAVELERS INDEMNITY COMPANY

THE TRAVELERS FIRE INSURANCE COMPANY

HARTFORD

CONNECTICUT

(CONT'D FROM PRECEDING PAGE)

	1932					1931					1930							
	Total Premiums	Losses	Loss Ratio %	Inc. or Dec. in Premiums	Liability Premiums	Losses	Property Damage Premiums	Losses	Collision Premiums	Losses	Total Premiums	Losses	Loss Ratio %	Inc. or Dec. in Premiums	Total Premiums	Losses	Loss Ratio %	
Merchants Indem.	446,438	155,502	34.8		426,570	150,865	10,688	4,637			330,252	139,814	42	75,743	254,500	86,043	33.8	
Metropolitan Cas.	3,304,331	1,874,020	56.7	-367,442	2,569,895	1,574,847	695,715	272,605	38,721	26,568	3,671,773	1,879,311	51.2	-27,203	3,698,977	1,845,589	50	
Motor Cas., Pa.	108,735	24,597	22.7		74,953	13,353	32,271	9,475	1,262	1,463	79,502	21,178	26.6	28,064	51,528	23,134	44.8	
National Cas.	307,406	115,992	37.7	-58,837	225,611	126,234	77,255	27,613	4,540	2,145	366,243	176,166	48.2	-15,705	381,948	170,711	44.7	
New Amsterdam	5,044,549	2,552,006	50.7	-211,440	3,846,797	2,064,646	1,109,641	441,292	88,111	46,068	5,255,989	2,447,889	46.5	427,678	4,828,311	1,505,690	31.2	
New Century Cas.	154,278	46,520	30.2		151,551	55,719	19,631		11,242	16,723	2,727							
N. J. Mfrs. Cas.	626,653	490,257	78.1	-12,718	626,653	490,257					639,371	319,210	50	13,812	625,559	424,044	67.6	
New York Cas.	1,094,946	871,810	79.5	-5,750	853,198	747,394	227,940	113,001	13,808	11,415	1,100,696	868,429	78.8	-371,000	1,471,702	989,416	67.5	
Northw. Natl. Cas.	406,455	140,835	34.6		282,002	109,418	119,995	26,996	3,752	4,030	310,138	51,229	16.5					
Northw. Union	1,418,704	831,604	58.7	-223,654	1,064,449	677,951	302,643	123,095	51,612	30,558	1,642,358	832,525	50.6	-54,052	1,090,410	778,808	45.9	
Occidental Indem.	716,675	331,627	46.2	-88,164	684,990	324,671	31,730	7,311		-355	804,839	458,503	57.1	-31,691	836,530	456,194	54.5	
Ocean Accident	4,330,079	1,895,232	43.8	1,083,652	3,185,435	1,513,618	1,022,828	319,994	121,796	61,620	3,246,517	1,884,086	58	-151,272	3,397,789	1,866,465	54.9	
Ohio Farm Indem.	540,515	192,334	35.6		62,705	377,230	139,255		163,022	53,079	477,810	164,712	34.2	114,776	363,034	72,943	21	
Pa. Casualty	124,959	24,597	19.7		16,923	124,959	24,597				108,036	42,400	39.2					
Pa. Indemnity	2,048,244	903,197	44.1	-612,856	1,529,149	709,762	519,095	186,255		7,180	2,661,100	1,121,074	41.9	-194,220	2,855,320	1,087,188	38.1	
Pa. Mfrs. Assn. Cas.	1,183,905	496,023	42	32,400	769,328	311,759	292,052	114,068	122,529	40,196	1,151,505	409,933	35.5	53,414	1,098,091	414,636	37.7	
Peerless Casualty	97,784	53,117	54.4	40,101	81,516	48,559	15,988	4,180		280	378	57,683	54,972	95.3	-51,257	108,940	27,716	25.3
Penn General Cas.	295,155	147,812	50.1	-1,722	296,877	110,404	82,103	35,979	4,497	1,429	296,877	66,442	22.3	258,027	38,230	1,142	3	
Phoenix Indem.	1,448,643	723,869	50.1	-268,164	1,086,051	572,281	343,874	143,217	18,718	8,371	1,716,807	827,070	48.1	-78,089	1,794,896	885,563	49.4	
Preferred Acci.	2,481,372	1,412,064	56.9	-632,465	1,894,932	1,189,129	527,480	203,339	58,939	19,596	3,113,836	1,503,168	48.2	-241,602	3,355,438	1,605,043	47.9	
Protective Indem.	176,384	83,093	47.1	-32,510	147,834	70,781	28,018	12,012		532	208,894	31,378	15	117,448	91,446	7,482	8.1	
Prov. Ac. & W. C.	1,389	887	63.8		1,389	887												
Royal Indemnity	5,168,705	2,790,647	54.1	-425,985	3,905,542	2,324,755	1,147,863	410,718	115,300	55,174	5,594,690	2,916,027	52.7	-159,539	5,754,229	2,981,697	51.9	
St. Paul Mer. Ind.	881,437	838,680	95	-787,803	5,522	740,404	101,290	75,721	21,219	22,555	1,699,240	822,850	49.3	191,822	1,477,418	655,420	44.4	
Sel. Risks Indem.	238,214	91,174	38.1	19,321	173,112	69,142	65,102	22,033			218,893	79,680	31.4	-17,621	236,514	51,367	21.7	
Standard Acci.	7,009,198	3,826,653	54.6	105,109	5,756,942	3,291,150	1,129,379	464,156	122,877	71,352	6,904,089	4,412,770	64	-1,681,111	8,585,200	3,754,490	43.7	
Sun Indemnity	2,225,205	976,662	43.9	115,540	1,698,437	781,757	490,156	176,113	36,612	18,792	2,109,765	935,422	44.3	203,191	1,906,574	901,371	47.3	
Stand. Sur. & Cas.	594,198	217,010	36.5	61,234	441,638	175,234	141,548	39,353	11,012	2,423	532,964	182,387	34.2	143,093	1,389,871	102,720	26.4	
Travelers	15,950,736	9,765,848	61.1	-2,031,767	15,950,736	9,765,848					17,982,503	9,568,996	53.2	-10,930	17,993,433	10,064,103	55.8	
Travelers Indem.	6,451,002	2,718,665	42.1	-1,650,237	323,579	218,072	4,938,105	1,828,998	1,189,318	671,595	8,101,239	3,634,943	44.8	-389,552	8,490,791	3,225,876	46.7	
U. S. Casualty	2,213,939	2,151,467	97.3	-999,896	1,656,426	1,816,382	508,317	297,399	49,196	37,686	3,213,835	3,706,923	115.1	-1,449,903	4,663,738	3,266,933	70	
U. S. F. & G.	8,978,464	5,493,847	62.2	-1,335,072	6,475,387	4,478,756	2,043,311	775,652	459,348	239,439	10,313,118	6,068,236	58.8	-883,934	11,197,052	5,966,152	53.2	
U. S. Guarantee	2,208,881	671,605	30.4	815,277	1,755,227	547,224	444,013	120,549	9,641	3,832	1,393,604	571,204	40.9	294,477	1,090,127	494,635	44.9	
Utilities, Mo.	483,907	173,576	35.9	-38,435	331,832	125,423	100,919	30,506	47,761	16,555	322,442	241,737	46.2	-61,041	583,483	253,328	43.4	
Universal Indem.	386,758	122,463	31.6	179,356	296,979	92,877	89,779	29,581			507,402	40,951	19.7	109,505	97,897	36,479	37.1	
West. C. & S. Kan.	1,473,311	708,284	48.7	-127,271	1,011,660	514,580	417,156	163,901	44,489	29,803	1,690,582	715,692	42.8	111,542	1,489,040	677,325	45.3	
West. & So. Indem.	1,119,439	443,900	40	-108,966	766,375	266,819	279,108	94,937	73,709	82,011	1,328,405	418,365	31.1	520,846	707,559	281,670	39.8	
West. Sur. & S. Dak.	4,506	26,875	598	-33,982	2,802	32,500	1,267	2,714		437	38,488	32,601	84.9	-10,519	49,007	11,582	23.6	
Yorkshire Indem.	793,368	464,164	58.5	-98,673	578,732	371,400	206,936	87,589	7,700	5,535	892,041	414,469	46.5	208,945	683,096	344,546	50.6	
Zurich	4,261,303	2,459,534	57.5	-740,362	3,481,472	2,093,760	750,728	345,382	29,103	21,392	5,001,665	2,724,584	54.5	-223,840	5,225,505	2,634,878	50.6	
Total	233,359,158	125,419,560	54.1	-34,665,105	177,155,723	102,865,528	49,934,055	19,231,297	6,302,130	3,583,782	268,124,263	134,753,841	50.2	2,838,476	265,285,787	129,627,087	48.8	

*1932 business reinsured in Ocean Accident.

Automobile Premiums and Losses of Full Coverage and Specialty Companies

1932												1931												
	Total			Loss Ratio		Inc. or Dec.		Fire		Theft		Liability		Property Damage		Collision		Total			Loss Ratio		Inc. or Dec.	
	Premia.	Losses				In Prems.	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses			In Prems.	
Allstate	432,920	74,450	17.2			314,597	1,007	11,376	—997	4,472	325,532	42,331	103,597	12,611	—893	2,801	118,323	7,936	6.8					
American Auto.	5,370,103	3,531,566	67			—612,499					4,865,337	3,325,366	363,982	177,954	17,829	12,360	5,882,593	4,041,453	68.5			—648,606		
Amer. Fid. & Cas., Va.	870,807	391,658	45			51,307	1,631	1,592	832	523	644,940	344,512	214,833	42,854	2,593	222	810,500	345,554	42.2			7,328		
Amer. Gen'l. Tex.	294,581	63,205	21.4			156,293	38,719	10,054			170,743	28,864	42,130	10,759	41,820	16,506	138,288	54,871	39.7			—1,091		
Amer. Indem. Tex.	384,330	517,408	134.7			—775,640	36,553	47,556	28,392	29,361	188,092	352,750	41,604	55,940	35,547	33,801	1,159,890	763,228	65.8			—147,379		
American States	472,900	124,583	26.3			—160,812	9,242	—442	9,244	—31	367,353	91,366	179,006	32,081	8,064	1,608	635,712	269,947	36.5			147,273		
Anchor Cos., Minn.	389,914	100,327	25.6			107,609	16,018	2,889	12,308	3,636	104,500	79,659	63,631	12,584	4,875	1,491	185,365	54,235	30.0			47,563		
Belt Casualty	502,990	219,604	43			—97,009					21,879	9,239	33,746	174,775	110,852	36,075	12,680	259,844	118,272	46.8			1,161	
Buckeye Union Cas., O.	620,458	207,002	33.4			14	40,689	12,975	34,751	13,233	327,119	111,948	143,996	35,327	63,254	30,743	620,444	249,865	39.5			56,160		
Central States Mot.																								
Com'l. Standard, Tex.	689,906	239,827	34.8			313,513	58,811	30,026	41,010	18,609	371,918	117,339	137,100	38,463	61,105	26,308	376,393	248,953	66.1			—112,806		
Employers, Ala.	27,310	21,503	78.9			—19,640	2,846*	815*			18,192	18,633	6,135	2,055	136		46,950	28,694	61.2			—10,315		
Employ. Cas., Tex.	466,568	206,390	44			117,328	40,367	6,581	29,233	12,183	237,605	141,644	75,216	29,593	69,140	12,691	349,240	235,231	67.5			—12,773		
Fort Dearborn	258,999	171,477	66.2			—210,906	12,728	5,037	34,147	31,397	127,812	46,162	37,684	19,670	20,804	12,576	469,905	211,182	45			.....	
Freeport Motor, Ill.	331,681	117,496	35.4			—1,499	50,515	19,110*			159,317	57,427	71,226	19,570	50,621	21,388	333,180	101,785	30.6			—9,929		
Hawkeye Cas.	335,460	128,100	38.2			—9,335	32,201*	12,405*			178,864	76,207	102,612	28,600	21,417	10,758	344,795	155,260	45			13,775		
Hussey Cas.	280,521	115,701	41.2			—4,511					164,860	73,514	90,632	23,713	25,029	18,474	285,032	120,155	42.7			—98,768		
Illinois Cas.	434,725	182,797	42.1			—15,482	29,538	11,035	36,310	14,860	201,506	85,964	91,272	34,130	72,284	35,989	450,207	194,397	43.2			49,451		
Ill. Nat'l. Cas.	464,753	164,479	35			36,498	71,281*	34,004			202,657	67,880	190,815*	72,495			428,255	120,323	28			.....	
Indiana	516,155	214,863	41.4			—18,262	36,378	11,121	35,691	19,291	197,275	63,643	92,299	40,334	140,460	108,975	534,717	295,654	55.2			49,389		
Mercer Cas.	708,788	370,700	52.3				38,276	38,234	26,697	29,061	406,098	217,213	161,348	56,734	60,287	49,483	747,464	219,217	29.4			309,896		
Motor Veh. Cas., Ill.	512,504	307,011	60			—82,244	100,798*	85,470*			293,608	177,898	96,741	80,133	21,357	13,510	504,748	297,328	49.9			408,693		
National Auto., Calif.	113,464	76,033	67.1			—25,706					20,310	40,216	5,807	5,689	15,159	11,275	139,170	161,529	116			—339,884		
Northwest Cas., Wash.	485,397	188,879	37.1			87,514	90,149	23,676*			348,193	148,079	19,946	1,773	27,369	7,468	308,083	202,518	50.7			12,433		
Ohio Casualty	2,445,872	958,878	39.2			9,327	9,364	4,670	9,364	2,197	2,436,508	924,308	2,145,232	38,452	29,346		2,408,649	1,030,673	40.7			863,523		
Oregon Auto.	111,545	114,095	54			—87,286											208,831	201,176	67.9			—6,281		
Pacific Employ.	190,621	89,599	47			—22,428					96,739	59,280	29,387	10,613	25,129	9,897	213,049	71,475	33.4			2,154		
Pacific Indem.	2,338,834	1,149,423	49.1			153,179	190,185	97,934	178,122	55,625	1,002,865	582,260	461,627	187,055	458,061	247,491	2,185,655	1,259,157	57.6			—710,048		
Preferred Auto., Mich.	407,637	173,728	42.6			4,266	23,814	10,954	18,499	8,064	205,833	92,890	113,276	29,080	36,893	26,974	103,371	184,687	45.7			—67,911		
Suburb. Auto., Ill.	147,394	67,989	46			—138,732	24,821*	9,099*			78,423	37,135	31,847	14,738	11,972	6,929	286,127	76,393	26.9			46,080		
Tennessee Cas.	23,568	2,034	8.6			8,696	910	600	360		16,551	620	5,490	778	257	36	14,872	630	4.3			.....	
Trinity-Universal	176,154	124,825	70.8				19,591	8,045	16,587	12,859	85,715	73,294	33,692	18,231	18,039	11,835						.....	
Union, Indiana	350,985	166,848	47.5			—9,273	23,408	7,582	29,304	9,964	122,053	61,369	76,846	19,885	95,518	67,785	360,258	220,384	61.1			—99,994		
United Auto., Mich.	124,941	28,610	23			29,604	6,389	1,255	4,974	1,606	61,311	9,197	33,065	7,307	15,126	9,042	95,337	53,085	55.6			—51,817		
United Pacific	649,396	312,543	48.1			—57,263					403,937	201,916	132,395	48,313	61,325	33,345	706,659	460,000	65.1			—142,355		
U. S. Und., Ill.	292,845	84,117	37.7			—33,946	34,031*	14,960*			100,121	45,015	52,759	9,763	36,934	14,378	257,791	96,000	37.2			—23,963		
Wolverine	476,326	201,232	42.2			86,174	19,956	4,441	11,776	4,368	238,268	106,625	120,625	32,272	85,699	53,524	390,152	141,933	36.2			72,212		
West. Amer.	687,364	361,304	52.5			—275,928					—20,546	9,689					963,288	622,615	64.6			—943,850		
Total	23,217,236	11,591,671	50			3,873,631	994,487	451,841	581,382	267,445	12,736,286	7,217,881	3,618,281	1,200,656	1,674,506	922,005	27,090,867	14,209,396	52.3			8,009,549		

Our national advertising and field representatives assist agents through complete automobile coverage facilities to write additional collateral and special lines.

COMPLETE PROTECTION

Complete protection against every automobile hazard is offered by the Fidelity and Guaranty Fire Corporation and the United States Fidelity and Guaranty Company. The following may be written under our individual and combination automobile policies.

**FIRE
THEFT
PROPERTY DAMAGE
COLLISION**

**TORNADO
TOWING
PLATE GLASS
PUBLIC LIABILITY
TRANSPORTATION**

**HAIL
FLOOD AND RISING WATER
DAMAGE BY AIRCRAFT
RIOT AND CIVIL COMMOTION**

Also comprehensive automobile coverage; special policies for finance accounts; single interest collision; conversion; automobile dealers (certificate, blanket and monthly reporting); fleet policies; and garage keepers legal liability policies.

These are the companies that originated the slogan "Consult your Insurance Agent or Broker as you would your Doctor or Lawyer."

The E. & G. Fire Corp. also writes:

**FIRE AND ALLIED LINES
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**FIDELITY BONDS SURETY BONDS
BURGLARY INSURANCE
CASUALTY INSURANCE**

Fidelity and Guaranty Fire Corporation United States Fidelity and Guaranty Co.

BALTIMORE, MARYLAND



Extension of New Chicago Plan Is Advocated

By Thomas T. North

President Thomas T. North Adjustment Co., Chicago, Indianapolis and Davenport

THE important and constructive step taken by the companies in assigning to the Cook County Loss Adjustment Bureau certain responsibilities of collating information about losses should have more significance than merely being a measure devised to help correct the bad automobile theft situation in Chicago. I believe that this arrangement will prove effective in eliminating many factors that have been regarded as peculiar to Chicago. But it is important to remember that although these factors have been emphasized so far as Chicago is concerned that they are present in other cities and are becoming more pronounced elsewhere. Particularly am I thinking of the stripping of automobiles.

One valuable service that the new arrangement with the Cook County Loss

Adjustment Bureau should produce is a record of assureds, who are involved in more than one automobile theft loss. Heretofore there has been no check on repeaters, although anyone with experience in the business knows that they account for no small proportion of the automobile loss payments. It is true that the fact that an assured may suffer more than one loss is not necessarily a reflection on his honesty, but it is also true that a large number of the dishonest assureds will be found on this list. Therefore, if such a record were available, it would serve as an underwriting guide of the highest importance.

I believe that the arrangement, which has been instituted in Chicago, should be extended throughout the country. My idea would be to have the country zoned and loss information collated for each

zone. This information could be available between the different zones and thus, if a gang or individual should change their or his base of operations, the fact would be soon revealed.

This business of stripping cars seems to have started with the assured either working in collusion with the thieves or dismantling the car himself. An assured, for instance, might drive his car in an alley or in a barn, strip it and hide the parts. The loss would be reported and the car would later be found in a stripped condition. The insurance company would pay the cost of rehabilitation and the assured would merely replace the old parts. In many cases, the assured would buy new parts from a conniving dealer and after the loss was settled would return the parts to the dealer, get credit for them, and replace the old parts. Of course, the practice developed until the stripping of cars became highly organized.

Two Types of Assured Found Among Repeaters

There are two types of assureds, who will appear most frequently on any list of repeaters. There is one sort of person who welcomes a loss and therefore leaves his car unlocked or parks it in unpoliced and dark places and in every conceivable way, without actually in-



THOMAS T. NORTH

Thomas T. North, who expresses endorsement of the plan whereby the Cook County Loss Adjustment Bureau takes an interest in collating automobile theft information, has specialized in automobile adjustments for 22 years. He has been a factor in the automobile business, having studied it closely from the company point of view.

Two years ago he started a crusade for reform of the Chicago situation and brought for the first time to the attention of many executives in the east a conception of the conditions in that city. Because he has been outspoken in criticism of various projects launched in the automobile field, his wholehearted endorsement of the new arrangement in Chicago is interesting.

dulging in collusion, offers his car to thieves. He either wants money and feels that the insurance company will pay him more for his car than he could get for it from a second hand dealer. Or, he wants a new car and feels that the insurance company will pay him more for his old automobile than he could get as trade in value.

Crooks Can Be Detected From Repeaters' List

The other frequent type of repeater is out to skin the insurance company. He may operate in various ways. For instance, he may buy an old car and cause it to be over-insured and then actually conspire to have it stolen or else leave it in places where he hopes it will be stolen. Or he may, as before mentioned, strip the car himself or get others to do so. There are also careless persons, who probably do not belong in either class, who are found among the repeaters. They are careless persons, who do not necessarily welcome a theft, but who carelessly do those things which makes the operations of thieves easier. They may habitually leave their cars unlocked. Although most of the automobile locks today are so cheaply constructed as to offer little resistance to thieves, by and large, a thief will pass by a locked car, if an unlocked car is available. As evidence of this, for instance, is the fact that thieves will break off the door handles of cars, which are locked, in an attempt to enter. Very often, if this operation does not permit immediate entrance, they will go on their way and try some other car. Undoubtedly, the locking of a car makes much difference. In former days, credits in rate were granted if a transmission lock were installed. These locks were effective, but it was found that the motorists would install them in order to get the rate credit but would not use them.

After a list of repeaters has been developed, it should not be difficult to distinguish between the types of repeaters therein. The outright crook will be exposed and it should not be difficult to

(CONTINUED ON PAGE 27)

INTER-OCEAN REINSURANCE COMPANY

Inter-Ocean Building, Cedar Rapids, Iowa

Condition December 31, 1932

ASSETS

Bonds (Dec. 31 market value)	\$2,383,887.92
Stocks (Dec. 31 market value)	133,840.63
First mortgage loans.....	657,440.00
Home office building.....	88,497.43
Accrued interest	104,661.05
Due from insurance companies	349,275.33
Cash in banks.....	251,082.59
Other assets	32,726.19
Admitted assets	\$4,001,411.14

LIABILITIES

Unearned premiums	\$2,078,636.32
Reserve for losses.....	246,066.57
Reserve for taxes.....	44,046.79
Funds held for treaties...	41,752.49
All other liabilities.....	33,492.82
Voluntary reserve	150,000.00
	\$2,593,994.99
Capital	\$500,000.00
Surplus	907,416.15
Treatyholders' surplus ...	1,407,416.15
	\$4,001,411.14

REINSURANCE OF FIRE AND ALLIED LINES

Sees Auto Sales Increase

By G. A. WATSON

Associate Editor, THE NATIONAL UNDERWRITER

INABILITY of the credit companies of the country to secure funds from the banking institutions during the moratorium in March accounted in no small degree for the falling off in the sales of automobiles in that month, a relation that will be appreciated when it is realized that no less than 61 percent of cars, both new and used, sold annually are financed by credit corporations upon the time payment plan.

With the improvement in the banking situation and the release of money for legitimate business purposes, automobile dealers reported a marked gain in the demand for cars, a development that naturally resulted in an added call for insurance. As the automobile season is now well under way a steady increase in activity on the part of manufacturers and dealers may be counted upon for some time, the constant extension of improved highways in all sections of the land creating an appeal prospective motorists as well as present car owners find hard to resist.

As 62 percent of all new cars are purchased by persons with yearly incomes of less than \$3,000 the need for protecting their investment through the medium of the various forms of insurance, fire, theft, collision, public liability and property damage is apparent, for while the man of wealth might be able to assume any or all of the hazards to which motorists are constantly subjected, the person of modest means would be taking a risk that might prove financially disastrous to him were he without indemnity of any kind.

With a premium income of \$74,000,000 had by the stock fire and theft automobile writing companies last year, even at the low average price of cars in use, the importance of the automobile line to the companies' offices is readily recognized; ranking as it does second in importance only to their straight fire writings.

Though the average motorist appreciates the need for carrying fire and theft, public liability and property damage insurance, less than three percent of the indemnity written is for liability for loss through collision, and the reason commonly advanced for failure to buy the latter form of protection is the alleged excessive rates charged for it.

Collision Experience Shows No Improvement.

As is true of every form of insurance written, rates for collision indemnity are predicated upon the loss experience, which unfortunately does not decrease with the passing years. Rather does the record increase, as the ability of cars to make a quick get-away and to attain great speed are stressed more and more by automobile manufacturers as strong points in favor of their particular product. Collisions occur far more frequently upon highways through the rural districts where speed laws do not obtain, or if existent are not enforced, and in a considerable percentage of cases are the result of careless driving by young people who have no real conception of the perils to which they subject themselves and others.

In cities and towns having traffic regulations and which are properly policed, the number and seriousness of collisions is far less than those happening in the great open spaces.

Claims for Damage to Fenders, Bumpers Filed

Another important factor that compels present collision rates is the large number of claims constantly being filed for damages to bumpers, fenders, headlights and the like, which while for relatively small amounts, yet somehow manage each to exceed the deductible clause of the contract and in the aggregate reach substantial figures. Some

companies feel that a real field exists for selling collision covers, and urge their agency forces aggressively to seek the business in conjunction with the more commonly written lines.

It is assumed that the alert local agent has completed all preliminary work in connection with his intended drive for automobile insurance by now,

and that during the present and the succeeding months will devote himself aggressively to personal solicitation, calling upon all to whom he has previously sent advertising matter, and being equipped to answer any and all questions as to the exact character of each form of coverage the prospect may put to him.

Opportunity Still Exists in the Automobile Field

Great as has been the development of automobile insurance thus far there is no apparent limit to its further expansion, for in spite of all that has been said regarding the economic de-

pression, new automobiles are being sold in large number and the demand for replacement of machines that have served beyond their allotted time is insistent and must be recognized. Far from being a luxury as it was once considered, the motor car of today is a necessity to the average business man, who appreciates the real economy in replacing a worn out automobile upon which the repair expense is constant and heavy with a machine whose dependability to perform the service intended of it, is unquestioned. The local agent alive to his opportunity for business getting will not fail to sense existing conditions and take full advantage of them.

NO DEPRESSION HERE

Typical WESTERN Agent

almost doubles production in 1932

Young as a member of the "WESTERN" family, but seasoned in accomplishment, St. Paul Agent Likes "WESTERN SERVICE."



W. T. KOOP



You too
will like
WESTERN
Friendliness



If Interested Write

THE WESTERN INSURANCE COMPANIES

HOME OFFICE: FORT SCOTT, KANSAS

MINNESOTA AGENTS: WRITE W. T. KOOP AGENCY, HAMM BUILDING, ST. PAUL, MINNESOTA

Sharp Decline in Fire Premiums Reported by Stock Companies

STOCK fire automobile premiums showed a 22.1 percent decrease in 1932, compared with a 10 percent decrease in 1931, and totaled \$74,493,576 in 1932. In 1931 the total was \$96,290,159 and \$107,153,791 in 1930. The decrease last year totaled \$21,796,583. The loss ratio improved, being 57.7 percent in 1932, compared with 58.11 percent in 1931 and 54.3 percent in 1930. Losses totaled \$42,812,114 in 1932.

The General Exchange again led the stock fire companies in premiums, although it showed a decrease of 30 percent in 1932 with a \$8,319,653 total, compared with \$11,942,326 total in 1931. The Home of New York was second with \$3,973,391, a decrease of 20 percent. The Fireman's Fund which ranked fifth last year was third with \$2,527,132, a decrease of 15.9 percent. The American

Ten Stock Fire Automobile Leaders

	1932		1931		
	Prem.	Losses	Prem.	Dec. in Prem.	% Dec.
General Exchange.....	\$8,319,653	\$5,051,559	\$11,942,326	—\$3,622,673	30.0
Home, N. Y.....	3,973,391	2,102,084	4,975,288	—1,001,897	20.0
Fireman's Fund.....	2,527,132	1,448,830	3,004,449	—477,317	15.9
Amer. Auto Fire.....	2,493,507	1,083,600	3,107,068	—613,561	19.8
Hartford.....	2,230,446	1,157,802	2,871,520	—641,074	22.4
National, Conn.....	2,219,427	1,547,816	2,976,603	—757,176	25.4
St. Paul F. & M.....	2,137,681	1,218,306	2,168,220	—30,539	1.4
Aetna.....	2,014,719	927,071	2,310,421	—295,702	12.8
Travelers.....	1,643,818	659,108	1,857,596	—213,778	11.5
North America.....	1,450,534	724,122	2,011,255	—560,721	27.8

Auto Fire retained its position of fourth with \$2,493,507, a decrease of 19.8 percent. The Hartford, which was seventh in 1931, was fifth in 1932, with \$2,230,446

and the National of Connecticut was again sixth with \$2,219,427. The St. Paul Fire & Marine with a total of \$2,137,681, had the smallest decrease among the leaders of only 1.4 percent. The Aetna was eighth with \$2,014,719, followed by the Travelers Fire and the North America, which are both newcomers in the big ten class. The Aetna and Travelers Fire both had better experience than the average with 12.8 percent and 11.5 percent decreases respectively.

Others with premiums of over \$1,000,000 include: Continental, Federal, Globe & Rutgers, Importers & Exporters.

The following table shows the automobile premiums and losses of all stock fire companies for the last two years and also the loss ratios and the increases and decreases in premiums:

Stock Fire Automobile Premiums and Losses

1932					1931					1932					1931				
	Total	Losses	Loss Ratio	Inc. or Dec. in Prem.		Total	Losses	Loss Ratio	Inc. or Dec. in Prem.		Total	Losses	Loss Ratio	Inc. or Dec. in Prem.		Total	Losses	Loss Ratio	Inc. or Dec. in Prem.
	\$	\$	%	\$		\$	\$	%	\$		\$	\$	%	\$		\$	\$	%	\$
Aetna	2,014,718	927,070	46	—295,703	2,310,421	1,035,522	44.9	—531,121	Eagle S. & B. D.	129,102	63,722	49.2	—21,192	150,294	89,545	59.6	—21,182		
Agricultural	616,075	323,977	52.5	—104,523	720,598	420,256	57	—124,694	Emp. St., N. Y.	66,389	34,501	52.1	—11,190	77,579	41,825	54	—8,527		
Albany	53,804	38,475	71.4	—9,322	63,127	27,100	58.7	21,869	Employers	641,458	327,697	51	—210,205	851,663	521,771	61.3	—277,481		
Allermann	50,435	31,197	62.5	—25,351	75,786	70,590	93.2	—56,193	Equit. F. & M.	56,238	40,360	71.9	—22,787	79,023	50,343	63.5	—10,633		
Alliance, Eng.	210,022	100,744	47.6	4,278	205,744	89,268	43.4	—1,335	Equity, Mo.	3,054	62	2	.....	.....	.....	.....	.....
Alliance, Pa.	156,797	82,429	53.2	—82,638	239,435	128,246	53.6	—49,544	Eureka Security	192,320	92,446	48	—47,520	239,840	131,207	54.5	—7,211		
Allied, N. Y.	47,674	11,349	23.8	—2,602	50,276	9,273	18.5	—10,176	Excelsior	8,758	2,443	27.9	—1,456	10,214	3,815	37.2	—1,822		
Allstate F. Ill.	107,029	44,655	41.7	—4,899	162,270	79,882	49.2	—137,737	Export, N. Y.	—542	.....	.....	.....	3,465	11,069	319.1	—18,958
Amer. Alliance	68,699	34,699	50.5	—4,899	73,598	32,619	44.3	4,186	Federal	1,176,122	558,883	47.5	28,293	1,147,829	500,716	44.2	—11,818		
Amer. & Foreign	83,660	39,297	47.1	—51,191	134,851	54,180	40.2	3,925	Federal Union	45,667	17,929	39.4	6,478	39,189	23,161	59	—3,668		
Amer. Auto.	2,493,507	1,083,600	43.4	—618,561	3,107,068	1,494,918	48.1	—477,651	Fid. & Guar.	973,674	548,166	56.3	—239,834	1,213,508	628,358	51.6	—76,260		
Amer. Central	155,818	80,017	51.4	—6,452	162,270	79,882	49.2	—137,737	Fidelity-Phenix ..	937,752	561,299	60	—226,117	1,163,869	666,264	57.1	—114,881		
Amer. Colony	50,002	53,660	107	—35,547	85,549	210,597	247	—166	Fire Assn.	441,217	324,996	73.6	—254,525	695,772	512,434	73.5	—111,326		
Amer. Eagle	206,545	108,504	52.6	—24,172	230,717	107,443	46.4	—3,943	Fireman's Fund	2,527,131	1,448,830	57.2	—477,318	3,004,449	1,645,595	55	—146,227		
Amer. Equitable	128,713	78,233	60.8	—44,081	172,794	183,352	106.2	—159,397	Firemen's, N. J.	636,101	283,803	44.5	89,504	546,597	316,418	57.9	—9,184		
Amer. Home	96,428	97,113	100.8	—53,237	149,665	90,697	60.5	11,841	First American ..	62,236	41,790	67.2	—22,103	84,339	48,034	57.1	17,617		
Amer. Mer. Mar.	—367	6,345	.....	.....	7,870	—362	.....	7,231	First Nat., Wash.	—5,751	29,467	.....	.....	169,390	76,280	45	34,785
Amer. Natl. ....	.....	5,331	.....	.....	39,194	42,580	109.1	—46,760	Franklin	830,880	527,821	63.5	—194,955	1,025,785	753,543	73.4	—363,188
American, N. J.	800,517	412,260	51.5	38,156	762,361	440,262	57.8	117,869	Franklin Natl.	76,095	53,068	69.8	—25,959	102,054	66,179	64.5	—72,363		
Amer. Reserve	5,372	4,929	91.8	3,168	2,204	7,247	328	—11,848	Fulton	22,496	13,458	59.8	—1,509	24,005	12,498	52	—18,200		
Amer. Standard	1,768	1,096	62	—1,439	3,207	3,915	122	—439	General Exch.	8,319,653	5,051,559	60.8	—2,622,673	11,942,326	6,040,860	50.6	2,188,502		
Anchor, R. I.	44,968	20,061	44.6	—212	45,180	14,058	31.2	30,048	General, Paris	4,799	526	11	2,382	2,413	2,413	99.9	—1,305		
Assoc. Fire, Pa.	86,573	23,479	27	9,371	77,202	36,650	47.5	—52,164	Genl. Schuyler	10,723	1,347	12.5	5,578	5,145	2,841	55.3	2,081		
Assoc. F. & M.	234,550	88,895	37.9	143,812	90,738	6,334	6.9	.....	Georgia Home	3,640	1,437	39.4	.....	.....	.....	.....	.....
Assoc. Reins.	613	341	55.7	—2,560	3,178	5,198	163.8	—27,775	General, Wash.	358,208	133,074	37.1	—51,934	410,142	186,117	45.4	30,347		
Atlantic, N. C.	3,400	4,524	132.9	—4,942	8,342	6,671	80	1,652	Girard F. & M.	91,323	52,801	58	—64,847	156,170	90,405	57.8	—2,625		
Atlas	282,473	182,215	64.5	—105,987	388,460	239,732	60.1	—46,105	Glens Falls	680,377	326,495	47.9	—14,954	725,331	346,707	47.8	—27,244		
Automobile	932,244	401,867	43.1	—216,688	1,148,932	460,373	40.1	—897,812	Globe & Repub.	82,809	50,332	60.7	4,034	78,775	107,313	136.2	.....	
Baltica	6,423	9,130	142	—4,268	10,692	5,481	51.3	8,757	Globe & Rutgers ..	1,195,386	1,217,281	101.8	—946,454	2,141,840	1,350,910	63.1	12,752		
Baltimore Am.	191,714	85,309	44.5	57,260	134,454	118,645	88.2	—73,366	Granite State	35,977	17,761	49.4	—3,663	39,640	21,243	53.7	1,777		
Baltimore Natl.	5,958	1,636	27.5	462	5,492	2,216	37	726	Great American ..	673,404	343,842	51	—79,692	753,096	357,752	47.4	—28,190		
Bankers & Ship	601,945	295,680	49.1	24,276	577,669	295,673	51.2	20,791	Great Eastern	3,946	610	15.4	—958	4,904	1,796	36.4	700		
Bankers F. & M. ....	.....	.....	.....	.....	7,028	5,216	74.2	4,914	Gulf	206,924	89,540	43.3	66,172	140,752	63,372	45	.....	
Belt Fire	21,956	18,177	82.8	—72,551	94,507	60,003	63.5	—53,165	Hamburg-Amer.	—87	1,057	.....	.....	4,351	8,749	200.9	—10,536
Birmingham, Ala.	6,016	2,450	40.8	—2,790	8,806	3,591	40.8	—1,823	Hamilton	92,656	23,645	25.5	—34,067	126,063	38,787	32.1	—27,828		
Boston	462,992	244,928	53	—116,992	579,984	297,988	51.5	—139,987	Hanover	427,440	219,673	51.4	—28,651	450,091	235,674	51.5	—39,539		
Brit. Am., Ont.	65,573	27,710	42.3	—18,826	41,399	65,346	77.5	—28,071	Hartford	2,230,446	1,157,802	51.9	—641,074	2,871,520	1,546,311	53.8	—302,099		
Br. & For., Eng.	27,242	11,264	41.3	—21,310	48,552	19,139	39.4	—21,495	Homeland, N. Y.	76,519	30,001	39.2	15,525	60,994	32,709	53.4	—15,737		
British Genl.	26,932	13,785	51.1	—1,115	28,047	16,373	58.4	—7,584	Home, Hawaii	41,431	10,006	24.1	—7,807	49,238	17,226	35.3	.....	
Caledonian	747,785	344,872	46.2	214,492	533,293	307,601	57.8	—59,046	Home, N. Y.	3,973,391	2,102,083	52.9	—1,001,897	4,975,288	3,635,497	73.1	—1,820,056		
California	98,107	50,357	51.3	—4,062	102,169	59,987	58.6	21,311	Hudson	45,371	39,676	87.5	—29,747	75,118	56,482	73.8	—27,641		
Camden	391,794	297,870	76	—368,685	760,479	531,023	69.9	—87,153	Imperial	72,823	35,201	48.4	—14,943	87,766	42,659	48.7	—5,213		
Canadian	71,375	43,648	58.7	14,723	59,652	25,915	43.5	.....	Imp. & Export	1,352,933	588,647	43.5	706,914	645,439	404,266	62.5	—141,796	
Capital, Calif.	11,949	5,514	46.4	—4,233	16,182	7,636	47.1	115	Indem. M. Mar.	—6,723	43,542	.....	.....	156,890	89,261	56.8	—7,339
Carolina	1,820	731	40.1	.....	64,310	45,394	70.5	11,360	Ins. Co., N. Am.	1,450,534	724,122	49.8	—560,721	2,011,255	1,077,263	52.3	—416,173	
Central, Md.	104,311	31,921	30.6	40,001	64,310	45,394	70.5	11,360	Ins. Co., St. Pa.	110,834	47,599	43	7,038	103,706	51,556	49.7	—10,911		
Century, Scot.	183,888	94,726	51.6	—115,897	299,785	233,774	78	—147,020	Internatl., N. Y.	13,771	32,921	.....	—67,216	80,087	54,551	62.5	10,183	
Citizens, N. J.	7,709	4,278	55.5	—1,930	9,639	6,105	63.4	65	Inter-Ocean Re.	315,295	198,179	62.9	—39,783	355,078	27,647	10.6	317,431		
Christiania Genl.	634	2,784	.....	.....	519,256	502,352	96.6	—407,293	Iowa Natl.	—3,416	6,139	.....	.....	38,696	6,578	17	37,272
City of N. Y.	492,932	282,681	57.4	—26,304	67,715	37,552	55.4	—21,885	Kan. C. F. & M.	29,040	15,276	52.5	—12,230	41,270	16,170	39.1	14,483		
Colonial States	—16,670	16,210	.....	.....	67,715	37,552	55.4	—21,885	Keystone Auto.	166,530	24,644	14.8	—50,584	217,111	31,148	14.2	—21,927
Columbia, N. J.	57,218	27,658	48.4	—11,409	68,627	33,517	48.8	—5,113	Knickerbocker	45,005	27,354	60.7	—10,863	55,873	71,090	127.5	—33,501		
Columbia, Ohio	34,039	17,534	51.5	1,425	32,614	18,835	58.2	4,213	Ky	2,915	9,270	318.1	—7,641	10,556	6,869	65	—6,207		
Commerce, N. Y.	158,599	99,070	62.5	—19,258	177,857	112,338	63.2	—27,622	Law Un. & Rock ..	49,901	27,096	54.1	—9,677	59,578	30,537	51.2	—15,519		
Coml. Un., Eng.	275,087	140,507	50.9	—11,389	286,476	166,645	58.2	—69,833	Lincoln, N. Y.	107,723	114,285	106.6	75,944	183,667	168,652	91.9	80,929		
Coml. Un., N. Y.	55,787	28,500	51.2	—2,310	58,097	33,718	58	—13,165	Louisville F.&M.	6,792	2,633	38.7	1,191	9,501	2,530	45.1	3,524		
Commonwealth	230,157	145,355	63.2	—25,890	256,047	210,592	82.4	—84,995	Lomb'vmen's, Pa.	130,132	44,397	34	30,873	99,259	39,923	40.2	5,162		
Concordia	91,323	52,801	57.9	—64,847	156,170	90,405	57.8	—2,625	Man'h'n F. & M.	85,370	59,581	69.9	—59,421	144,801	70,921	48.9	92,020		
Connecticut	281,192	201,801	71.5	—113,936	395,128	251,716	63.6	—53,313	Mfrs., Pa.	22,384	4,718	21.1	—13,380	35,764	9,078	25.4	—9,327		
Continental	1,148,432	669,355	58.2	—248,135	1,396,567	742,760	53.2	74,604	Marine, Eng.	208,803	99,407	47.6	5,106	203,697	83,534	43.5	—1,993		
County	17,219	10,432	60.5	—2,568	19,787	17,144	81.8	—792											
Detroit F. & M.	51,480	25,291	49.2	11,265	40,215	9,610	23.9	35,726											
Dixie	17,020	8,767	51.5	—3,364	20,384	11,772	57.5	—11,791											
Dubuque F. & M.	139,178	57,654	41.3	41,4															

	1932					1931			
	Prem.	Total	Losses	Inc. or Dec. in Prem.		Prem.	Total	Losses	Inc. or Dec. in Prem.
Maryland	26,956	15,426	57.3	-3,898		30,854	22,383	72.2	2,596
Mass. F. & M.	25,740	12,198	47.4	3,884		21,856	7,366	33.6	11,511
Mech. & Traders	164,871	114,980	69.5	-58,248		221,119	143,389	64.8	-129,375
Mechanics, Pa.	91,322	52,800	57.9	-64,848		156,170	90,405	57.8	-2,625
Mercant., N. Y.	237,298	131,109	51	39,310		296,608	208,797	74.4	-128,202
Mer. & Mfrs.	42,304	25,713	60.6	3,240		39,064	57,839	147.7	-123,224
Merchants, Colo.	17,434	18,232	75.9	-16,530		33,064	17,221	50.7	13,988
Merchants, N. Y.	319,236	94,452	29.6	29,765		289,471	101,356	35.1	67,159
Merchants, R. I.	88,317	244,880	277.1	-170,647		258,964	173,359	66.9	40,383
Mercury	216,295	174,959	80.8	-153,859		370,154	239,087	64.5	28,152
Metropol. F. Re.	9,238	7,879	86.5	.....		.....	.....	.....	.....
Mich. F. & M.	140,746	46,710	31.8	145,711		1,035	2,785	269.1	757
Millers Natl. Ill.	195,760	97,930	49.9	72,122		123,638	62,513	50.5	22,883
Millw. Mech.	267,037	132,001	49.4	-13,859		280,896	153,638	54.6	42,704
Monarch	346,245	208,212	60.2	-14,643		360,888	267,087	73	52,900
Natl. Am. Neb.	43,698	46,626	106.8	10,480		33,218	27,715	85.3	-34,648
Natl. Ben Frklin.	91,322	52,800	57.9	-64,848		156,170	90,405	57.8	-2,625
Natl. Cap., D. C.	22,721	10,680	47	-5,717		28,436	8,926	31.3	10,153
National, Colo.	34,487	11,315	32.8	-9,111		43,598	12,885	29.5	13,697
National, Conn.	2,219,427	1,547,818	69.9	-757,176		2,976,603	1,930,242	65	-228,493
National Liberty	517,657	374,113	72.5	-216,041		733,698	509,477	69.4	-122,032
Natl. Reserve	22,929	22,872	99.9	-14,515		67,444	15,466	22.9	27,625
Natl. Security	18,140	12,575	69.2	-35,841		53,981	32,231	59.9	-18,324
Natl. Union, Pa.	810,628	1,048,181	129.2	-2,397,330		3,207,958	3,150,470	98.3	-1,933,358
Netherlands	92,760	76,389	82.4	-26,655		119,415	142,651	119.5	-273,634
Newark	216,007	109,884	50.8	-116,341		332,438	151,452	45.5	-34,315
New Brunswick	3,641	1,463	40.1	.....		.....	.....	.....	.....
New England	37,140	13,226	35.6	.....		.....	.....	.....	.....
New Hampshire	138,265	63,750	46.2	-12,608		150,873	87,500	58	-15,531
New India	1,138	.....	.....	252		886	635	71.6	-1,707
New Jersey	265,807	148,788	56	-80,645		346,452	183,977	53.1	39,953
N. J. Mfrs.	396,883	135,413	34.1	-102,864		499,747	168,733	34.8	-17,816
N. Y. Fire	61,206	27,236	44.5	-6,481		67,067	83,555	123.7	6,596
N. Y. Und.	40,730	23,263	52.2	-8,469		49,199	28,284	57.7	-12,606
Niagara	402,575	199,974	49.7	-73,506		476,081	221,270	41.4	-35,271
N. Brt. & Merc.	456,455	245,109	53.7	-70,432		526,887	304,122	57.8	612
N. C. Home	-8,570	1,659	.....	.....		20,975	11,014	52.7	-213
Northern, Eng.	216,182	109,015	50.5	7,903		208,279	104,871	50.2	28,159
Northern, N. Y.	681,367	270,621	39.7	56,731		624,636	247,903	39.7	62,834
No. River, N. Y.	307,715	230,455	75.1	-264,976		572,691	432,230	76.1	-134,542
North Star	2,518	4,362	.....	.....		-1,512	12,820	.....	-26,378
Northw. F. & M.	26,724	13,431	50.3	-7,676		34,400	18,039	52.5	-211,455
Northw. Natl.	450,173	227,193	50.4	-63,494		513,677	286,874	55.9	3,346
Norwich Union	66,826	37,726	56.4	-28,026		94,852	46,450	49	5,021
Ocean Mr. Eng.	11,675	4,886	41.8	-9,131		20,806	9,385	40.1	-9,214
Ohio Farmers	690,057	260,053	52.2	-79,611		769,668	437,091	55.8	-70,333
Old Colony	139,514	82,744	59.2	-10,195		149,709	83,675	55.8	-17,843
Old Dominion	2,545	1,357	53.2	-9		2,554	1,319	51.6	-1,143
Orient	142,838	61,291	42.9	-46,927		189,765	111,303	58.7	-34,676
Pacific Natl.	93,080	70,979	75.5	-95,527		188,607	70,476	37.2	113,949
Pacific, N. Y.	739,483	401,675	54.3	24,055		715,428	312,782	43.8	136,270
Palatine	86,566	44,429	51.3	-3,584		90,150	52,616	58.4	-26,491
Patriotic	91,286	60,973	61.8	-7,421		98,707	47,114	48.1	8,991
Pearl	5,633	4,058	72.4	-3,671		9,334	7,671	82.1	-6,650
Pennsylvania	379,730	285,950	75.5	-249,541		629,271	337,265	53.7	78,733
Penn. General	25,887	9,228	35.6	-8,997		34,884	10,783	30.9	30,770
Pa. Ind. F. Corp.	60,073	101,333	32.1	-31,732		337,865	52,208	15.5	49,308
Phila. F. & M.	93,662	44,365	47.4	-21,155		119,717	61,122	51.5	-24,772
Phila. National	15,000	6,804	45.3	2,054		12,946	6,489	50.1	3,150
Phoenix, Conn.	465,975	334,412	71.8	-188,809		654,784	477,129	63.8	-88,347
Phoenix, Eng.	280,889	135,777	48.3	-51,236		332,125	164,541	49.5	-39,792
Piedmont	8,446	3,941	46.7	6,398		2,048	318	15.5	1,712
Potomac	601,741	385,123	64	-54,864		656,605	392,099	57.5	7,239
Preferred Risk	6,921	7,442	111.8	-11,491		18,412	14,707	79.9	-22,434
Provid. Wash.	451,205	214,211	47.5	-29,070		480,275	203,377	42.2	91,380
Prudential, Eng.	101,864	42,894	42.2	70,674		31,190	13,690	43.8	-21,959
Pr. Re. & Co.	23,037	16,895	72.8	-5,331		28,368	18,583	62.4	-4,021
Quak. C. F. & M.	129,242	99,721	54	-1,239		130,481	58,623	45	65,851
Queen	445,719	245,598	55	-195,165		630,584	339,352	53.7	-300,093
Queen City	7,108	1,871	26.1	-2,948		9,942	5,212	52.8	-3,736
Rel. Mar., Eng.	11,675	4,872	41.7	-9,130		20,806	9,385	40.1	-9,214
Reliance, Pa.	11,613	8,527	73.4	-8,956		20,569	13,793	62.1	-27,279
Rhode Island	136,151	318,621	.....	-486,201		622,355	467,056	75.1	-9,952
Richmond	29,117	25,230	86.8	-13,443		42,560	24,738	58.2	-7,663
Rochester Amer.	25,916	12,410	47.8	2,623		23,293	8,418	36.1	5,330
Rocky Mountain	1,365	159	11.6	-368		1,733	334	19.2	-2,800
Rossia	10,705	17,160	87	-115,257		134,962	120,589	89.5	-71,660
Royal	587,079	337,035	57.4	-63,697		930,776	424,976	46.1	-10,626
Royal Exchange	156,420	96,942	61.9	-67,396		223,816	105,514	47.2	9,546
Safeguard	39,396	18,330	46.5	397		38,999	16,341	42	-2,848
St. Louis F. & M.	21,104	2,130	9.9	17,365		3,739	778	20.3	1,861
St. Paul F. & M.	2,137,681	1,318,306	57.1	-30,548		2,166,229	1,048,284	48.2	485,457
Scott, U. & Natl.	243,724	141,149	58	-57,048		306,772	196,087	64	-70,377
Sea	84,009	40,096	47.7	1,711		82,598	36,029	43.9	-533
Seabrd. F. & M.	62,250	39,906	64.2	-2,522		64,772	44,851	69.4	-12,321
Seaboard, Md.	22,503	11,144	49.5	-3,043		25,546	14,088	55	-5,633
Security, Conn.	260,868	141,906	54.5	-51,565		312,433	200,348	64.2	-88,875
Security, Iowa	19,233	8,042	42	4,624		14,609	6,030	41	-2,543
Sel. Risks, N. J.	15,273	4,577	30	1,719		13,454	6,173	46.7	-3,464
Sentinel	37,140	13,226	35.6	.....		.....	.....	.....	.....
Skandinavia	1,361	474	34.8	7		1,354	1,158	85.1	-147
South Carolina	3,099	785	25.3	1,562		1,537	642	41.7	356
Southern, N. Y.	60,137	68,965	114.6	-101,774		161,911	164,099	101.5	-112,494
Southern, N. C.	18,950	20,147	105.9	-10,527		29,517	14,185	48	-772
South, H. & C.	12,537	5,584	45.2	-3,371		15,906	13,781	87	1,095
Spring F. & M.	733,358	591,317	81.8	-397,513		1,120,869	639,784	51	-26,058
Standard, Conn.	14,692	6,564	44.7	-4,336		19,028	3,900	22.2	11,728
Standard Mar.	10,306	1,772	17.1	8,413		1,893	1,218	64.3	-2,554
Standard, N. Y.	271,687	171,567	63.3	-891		272,578	156,738	57	5,872
Star	136,909	54,688	39.9	19,432		117,567	69,484	59	-11,004
Stuyvesant .....	.....	95,344	.....	.....		45,124	355,258	787.4	-419,380
Sun	395,214	249,401	63	-106,979		502,193	293,334	58.4	-58,745
Sun Und.	110,887	56,606	51.1	21,172		89,715	55,535	39.6	65,371
Superior, Pa.	66,750	33,000	49.4	-42,771		109,530	72,324	66	-49,265
Sussex, N. Y.	158,549	263,100	165.9	-178,621		337,170	208,351	61.9	160,325
Swiss	30,257	39,887	131.8	-60,249		90,506	56,482	63.5	-11,455
Swiss Reins.	11,638	10,865	93.4	4,062		7,576	9,274	122.1	6,399
Tokio M. & P.	366,893	210,061	57.3	36,973		329,929	187,751	57	4,409
Transcontinental	76,095	58,068	69.7	-25,960		102,055	66,179	64.8	-3,979
Travelers	1,643,818	659,107	40	-213,778		1,857,590	824,776	44.3	-66,952
Twin City	4,956	2,557	51.5	-2,191		7,174	4,666	65.4	-1,594
U. & Phen. Esp.	6,498	4,062	62.5	-2,825		9,323	7,710	82.7	-6,811
Union, Eng.	71,170	36,426	51.2	-2,947		74,123	43,183	58.2	-19,828
Union, France	50,911	113,613	223	-216,478		267,389	114,357	42.8	.....
Union of Canton ....	.....	3,634	.....	.....		.....	796	.....	-14,227
U. Mar. & Genl.	31,209	15,086	48.3	-25,608		56,817	18,282	32.3	.....
United Firemen's	78,025	37,716	48.3	-14,575		92,600	45,706	4	

Hartford Officials View Various Phases of Automobile Line

THE increase in automobile insurance rates and the decrease in buying power of the public, which has resulted in a decline in automobile premiums, can only be overcome by a determined effort by every company agent to bring to public attention the necessity of this type of coverage, Hartford insurance executives declare.

In discussing the many phases of automobile insurance with these officials one notes a spirit of optimism. However, the trite expression of "insurance premiums will increase when business gets better," still holds good in all lines including the automobile. In the meantime the work of educating the public to the need of automobile coverage is proceeding with undiminished force. It is, however, being concentrated upon the so-called essentials of the automobile line, which are: fire and theft, property damage and liability. The subsidiary lines of earthquake, flood and plate glass are termed luxuries and while the companies encourage the building up of this field they are quite satisfied with pursuing a policy of working upon the essentials.

California Earthquake Stimulates Cover Sale

The recent earthquake in southern California, however, has had a stimulating reaction upon earthquake coverage in this section, Hartford companies report. Many persons who had what they believed to be the necessary insurance coverage found that quake was not included. Falling buildings, destroying

automobiles as they were parked in the streets, left the owners of the cars with no basis of claim. This increased demand for quake and plate glass has not been evident in other sections of the country, however.

Hartford officials feel that the question of collision insurance may best be handled on the deductible basis. They do not believe that the full covered risk in this line is desirable. But the importance of carrying some form of collision insurance is becoming recognized by the public. The pressing of the deductible form of policy has stimulated this line. This type of insurance is considered the only sound type of collision. It is more economical to the purchaser and the company is relieved from the small and annoying losses which occur with the full coverage policy. The trouble with the collision business is that only a limited number of persons will buy it. Therefore, until times improve, it is doubtful whether enough business of this class can be secured to constitute a fair average and produce a reasonable profit.

There appears no possibility of a decrease in rates at the present time. Actually, the tendency is in the other direction. Whatever decrease in accident frequency there has been has been more than offset by accident severity. This is largely attributable to the great number of high speed automobiles which are on the highways. When crashes occur at speeds of 50 and 60 miles an hour, which is not an unusual rate in present-day transportation, the losses are de-

cidedly heavier than those incurred in accidents where a nominal speed is employed.

Again, in the question of rates, is the question of educating the public to the fact that it controls the size of premiums which must be paid, not only on automobile but on all types of insurance. Agents must be continually alive to this fact and impress it upon the policyholder. The reiteration of this to agents may be scoffed at by some but the home office officials, who have been hammering at it for years, are now beginning to see the fruits of their labor.

Seven Recommendations For Improving Situation

"The increasing cost of settling claims and suits which result from automobile accidents is becoming more and more of a problem to the companies," one executive stated. "Unquestionably, the public is becoming more claim-minded and less willing to adjust claims on the basis of actual damage sustained. Furthermore there is a noticeable unwillingness on the part of men of standing to serve on juries. Ambulance-chasing lawyers, in collusion with doctors are a source of real trouble when these responsible citizens refuse to sit in judgment on the cases. The attitude is 'he carries insurance and we'll make the company pay and pay plenty'."

He added that "automobile liability rates have a direct reflection of the accident and claim record of the insured public," and that "it is highly important

the public realizes that as the number of automobile accidents and the cost of settling claims grows larger and larger, so must the cost of automobile insurance. In the final analysis, automobile owners, and not the companies, actually control the cost of automobile insurance."

This executive cited seven recommendations to improve the automobile accident situation which are as follows:

1. Development of a keener appreciation of the value of human life.
2. Insistence upon more efficient and courteous operators of automobiles.
3. An increasing interest on the part of owners in keeping their automobiles in good condition.
4. The adoption of uniform laws and ordinances regulating the use and operation of automobiles.
5. More rigid enforcement of motor vehicle laws.
6. Education of the growing child to the effect caused by the increasing congestion of automobiles.
7. More effective publicity concerning automobile accidents.

Old Cars Not as Serious a Menace

While it is admitted that automobiles are constructed today in such manner so as to insure comparative safety at high speed operation this is only true in the instance of the competent driver. There is grave question in the minds of Hartford officials as to the ability of drivers generally to guide cars over the highways at the high rates obtainable today. The responsibility of acci-

(CONTINUED ON LAST PAGE)

AMERICAN STATES INSURANCE COMPANY INDIANAPOLIS

ANNUAL FINANCIAL STATEMENT

ASSETS

CASH	\$ 71,617.95
U. S. GOVERNMENT BONDS	313,688.00
State and Municipal Bonds	38,485.00
Public Utility Bonds	155,600.00
Joint Stock Land Bank Bonds	31,850.00
Industrial Bonds	9,040.00
Railroad Bonds	5,480.00
Preferred Stocks	4,700.00
First Mortgage Loans	15,000.00
Real Estate	2,100.00
Accrued Interest on Investments	6,286.37
Reinsured Losses Receivable	11,711.02
Premiums in Course of Collection	142,983.02

\$808,541.36

CAPITAL \$200,000.00

LIABILITIES

INSURANCE RESERVES	
CLAIMS	\$163,165.97
UNEARNED PREMIUMS	221,796.73
Adjustment Expense	3,507.94
Contingencies	7,500.00
Agents Commissions	27,048.31
Accounts and Salaries	6,116.33
Reinsurance	29,575.42
Accrued Taxes	8,607.45
SURPLUS TO POLICYHOLDERS	341,223.21

\$808,541.36

With Practically All Reserves Carried in Cash and Government Bonds
American States Maintains an Unusually High Liquid Condition

Operating in INDIANA, ILLINOIS, OHIO, MICHIGAN, NEBRASKA, KENTUCKY, MISSOURI and COLORADO.

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AMERICAN STATES CARRIES A-RATING IN BEST'S INSURANCE GUIDE

Selling Complete Protection to Clients Is Most Profitable

BY WALTON H. GRIFFITH

America Fore

REPLYING to the brief and pertinent question "Where are the best prospects for automobile insurance today?", the writer feels that the answer can be equally brief: "Among the clients you are now insuring."

Let's analyze that statement and bring out some of the reasons that justify considering it the best answer to the perplexing problem to which many agents are giving plenty of time and thought.

In selling insurance protection of almost any kind, one of the chief obstacles is obtaining an audience with the right kind of people. You want to see the kind of property owners who have need for the protection you are selling, but on cold canvass you have to take a chance in the hopes that a good percentage of the prospects interviewed will prove to have some real need for your product. This plan has always produced satisfactory results if applied with sufficient energy, and expenditure of time and shoe leather; but you can see with half an eye that much better results can be expected if you can weed out your prospects beforehand and devote your selling time to those who have a genuine need for the article you are offering.

It goes without saying that you are in a very favorable position to secure an interview with a client that you are already handling business for. You are also—or should be—much better equipped to approach a client for whom you are already carrying certain kinds of insurance, since you can diagnose his further needs for insurance protection on the basis of information which is derived from your own records. Ordinarily a phone call or a letter will readily secure the desired interview, which might otherwise require several fruitless calls. You should go to this interview far better equipped with sales material and a definite proposition for your client to consider than you could possibly do if you were going after a new prospect where the vital information must usually be acquired after you secure the desired interview.

Prepared Presentation Creates Favorable Reaction

Once the personal interview is secured, a definitely prepared proposition goes a long way towards getting the best results from any kind of sales work, including insurance. It will enable you to fix the attention of your prospect on something you have carefully studied in advance and on which you have marshalled your sales arguments in proper sequence and have anticipated the usual objections.

Besides securing better attention, the previously prepared proposition is bound to create a more favorable reaction on the part of the property owner, for it shows him that you are apparently devoting expert attention to his own particular needs. It will help impress him with the advisability of considering you as an insurance advisor to be consulted on any insurance problem, and even should you fail to make a sale, it does not leave the client cold to re-opening the matter or submitting a different proposition at a later date. Therein lies the advantage of soliciting business among your present clients as compared with working on cold canvass.

If you have studied the property own-

er's needs and worked out a definite proposition for him which has been designed to fit into and perhaps supplement the protection which he is already carrying, you are quite likely to forestall the attempts of competitors to land his business. Should a competing agent offer a well rounded plan, your client will realize that you have already shown him the same thing and there is no chance of his criticising you for not having said anything about the other forms of protection besides the one that you are carrying for him. Many agents have learned by painful experience that the competitor who presents a well thought out plan for the client's needs

is quite likely to annex their renewals if the property owner becomes sold on the idea of the complete proposition. If you are handling a fire line on a building, it behooves you to show your client how you want to take care of his U. & O., rents, explosion, automobile and casualty lines. If you don't, you may find an alert competitor stepping in with a balanced program which means you will lose your fire line as well as the other kinds of insurance which you were hoping to sell but hadn't told your client about.

There are numerous plans that can be followed and each agent's own initiative should provide the sales argument

to fit the particular client; so we will not attempt to offer suggestions in detail. However, it might be worth while to quote an example of what has been done by an agent in a small community of 1,000 souls in New York State. This agent made a drive for automobile insurance and developed a very creditable volume, so he started out with the idea that his clients should be protected against collision hazards. He sold 12 new policies in one month and included collision insurance on 11, demonstrating that this coverage which many agents have considered difficult to sell, could readily be sold by determined effort. By

(CONTINUED ON PAGE 27)



A WEDGE TO INCREASED AUTOMOBILE INSURANCE SALES

This institution writes Insurance and Surety Bonds for practically every purpose. Its Automobile insurance facilities include:

1. A complete line of modern, up-to-the-minute contracts.
2. Special \$1 and \$3 feature coverages which make it easier to sell and retain a steadily increasing volume of this business.
3. Effective sales and advertising helps, plus the assistance of the Advertising Department in planning individualized campaigns.
4. Sales, advertising and service facilities of proven worth in attracting Fleet insurance business.
5. High-speed service, pleasant agency relations, convenient location, ample facilities for handling large or small volume, plus other helpful advantages.
6. Unquestioned strength and stability, proven by sound performance since 1897.

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Chicago, Illinois

THOMAS T. NORTH

ADJUSTMENT COMPANY

Adjusters

Successful adjusters of long experience do much to build and maintain goodwill between companies and assureds.

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INLAND MARINE DEPARTMENT

*Trip Transit - Tourist Floater - All Risk
Burglary*

CASUALTY DEPARTMENT

*Liability - Compensation - Property
Damage*

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Howard Kopf, Manager
American Bank Bldg.
Tel.: Kenwood 1410

Indianapolis Branch
J. L. Valentine, Mgr.
241 N. Pennsylvania St.
Tel.: Lincoln 4838

Factors to Be Checked in Underwriting

(CONTINUED FROM PAGE 6)

summer resort addresses need to be checked very carefully for attempt to defraud the insurance company of rightful premium for a higher rated address. Although it may appear at first that people who spend a great deal of their time at summer resorts or winter resorts are thinking too much of play, experience does not necessarily prove that the business (if properly underwritten) is any worse for the resort cities than elsewhere.

Nationality and color: Some racial descents are more emotional than others. Being a little quicker on the trigger makes them worse for automobile insurance than the more even or phlegmatic type. The high grade negro is usually a good risk for public liability and property damage.

Financial Responsibility Certificate Important

Financial responsibility certificate: If the assured has been required to file a financial responsibility certificate, this becomes a matter of underwriting importance calling for careful investigation.

Moral hazard: An assured may be extremely immoral and yet not be a bad risk for automobile casualty insurance. The business of an underwriter is to pick a good automobile risk, not a good man. As a general rule, however, risks of bad moral hazard are undesirable. This does not necessarily mean that all assureds of good morals are desirable automobile risks.

Young people: It stands to reason that a man is a better automobile risk at the age of 30 than he was at the age of 20 (he certainly must have learned something in 10 years) and that he is a still better automobile risk from the age of 40 on up to the point where he becomes enfeebled or otherwise physically impaired or loses his mental alertness.

Liquor: One of the most embarrassing jobs of a home office underwriter is to convince an agent that the good fellow is not a good risk. Many agents feel that as long as the assured does not drive the car in a pie-eyed condition he is still an excellent risk. This is contrary however to the opinion of many eminent authorities who claim that a man with just a few drinks is a worse hazard on the road than the man who is visibly intoxicated. The former has been exhilarated to the point where he wants to step on the gas and go places, whereas the latter will usually realize his condition and navigate with great deliberateness. It has been said that one good drink slows a man up 2/5s of a second and this means 24 feet of braking distance in a car that is going 40 miles an hour, which may mean all the difference between a fatal crash and no crash.

Man in Liquor Traffic Is Not Good Auto Risk

Bootleggers: A man engaged in liquor traffic is not a good automobile risk, as a rule. However, the restaurant and hotel owners who have a perfectly good reputation at home and who know how to handle themselves at all times are thoroughly acceptable automobile risks even though liquor may be sold in their establishments.

Wealth: The fact that the assured is wealthy does not make him a good casualty risk. Beware of the sporty driver, particularly the young sons or daughters.

Chauffeur driven car: The assured who employs a private chauffeur is probably a better risk on the average although there are noticeable exceptions.

Physical impairments: Some underwriters throw up their hands if the risk has any physical impairment as for example, a wooden leg or one arm. It

has been my experience that this type of risk if thoroughly high grade otherwise is a perfectly acceptable risk. Impaired vision, deafness, extreme nervousness, etc. are the types of physical impairments which must be guarded against.

Neighborhood: The neighborhood has a great deal to do with the risk. If a lot of children are playing in the streets and if the average person in the neighborhood is of the type who would magnify his claims or manufacture same, then this makes the risk undesirable even though the assured may be perfectly o. k.

Past Record Important, Statistics Indicate

Past record: "The moving finger writes, . . ." The past record speaks for itself. Statistical analysis shows conclusively that the people who have had frequent accidents in the past are the most likely to have a bad record in the future. This does not mean, however, that a man who has had just one serious accident, costing the company \$5,000 is a bad risk. Very likely he will be a much better risk in the future than any average assured.

Students: Students as a class are not much worse than other young people who own their own cars. (The whole class of young people is worse than the average). The fact, however, that the company has been warned by the word student is sufficient to cause a very careful investigation.

Mileage: Generally speaking, the car that is used the most miles per year, exposes the company to more opportunity of loss. This is offset of course in individual cases by greater skill at the wheel.

Business use of car. Cars used in business are not necessarily worse than cars used for private and family purposes, except possibly for increased mileage and increased guest hazards.

Previous carrier: The fact that a previous insurance carrier has canceled or declined is of course an excellent warning.

Convictions: The record of convictions is an important indication of character and has a bearing on the acceptability of the risk.

Failure to cooperate. Some assureds have the wrong attitude towards insurance companies and fail to cooperate properly in the handling of a claim. This means that when an accident does occur, it will probably cost twice as much. The assured who does not report his accidents immediately is also undesirable.

These are a few of the underwriting items to take into consideration for the private passenger car risk. Each other type of risk has its own peculiar problems, but space does not permit any further discussion.

Chicago Motor Club's Figures Corrected

The 1932 experience figures of the Inter-Insurance Exchange of the Chicago Motor Club, published in THE NATIONAL UNDERWRITER of March 16, were incorrectly entered, due to a misunderstanding. The exchange reported, as net premiums written, the figures after deducting the attorney-in-fact fee. On that basis net premiums written showed \$2,012,909. The correct figure is \$2,877,690.

Below is given the experience by lines with net premiums written, including the attorney-in-fact fee, which corresponds to commissions:

	Net Premiums	Losses Paid
Auto fire	\$ 90,038	\$ 47,611
Auto theft	444,594	490,359
Auto liability	1,423,957	674,483
Tornado	10,121	1,009
Auto plate glass ...	7,352	1,609
Auto prop. damage.	467,773	154,180
Auto collision	433,855	262,639
Total	\$2,877,690	\$1,631,890

Time Is Here for Agent to Change Selling Habits

BY RALPH DANFORTH

Assistant Secretary Millers National

WHILE it has been dangerous business the last three years predicting an upturn in general conditions, the prophecies of better times that are being made today seem to be based on pretty firm convictions. Whether through inflation or otherwise the feeling exists widely that greater activity is ahead.

A friend of mine bought some wheat futures about six weeks ago. The other

anticipation that the automobile market will soon show an improvement. Continuance of a lackadaisical attitude will be fatal.

Sell All Coverages Including Collision

If farm prices continue to improve the likelihood is that there will be an increase in automobile sales in the smaller communities. That business is welcomed particularly by the companies and there will be intense competition for it when the market opens up. Therefore the agent should keep on his toes and avoid losing his grip when aggressive solicitation and intelligent prospecting will bring results.

If business activity improves the agent should change his selling tactics and endeavor to sell all of the automobile coverages, including collision. For

the past three years agents have been compelled to advise assureds what coverages could be eliminated without exposing the assured to too great risk. That is destructive of salesmanship although it has been necessary during hard times. It causes the agent, in the long run, to lose courage and be timid about proposing a program involving anything except a minimum outlay. Very shortly, if present indications are true, the agent who aggressively solicits 100 percent coverage will forge ahead and outdistance his competitors who are still thinking in terms of an improved client.

Hinders Towing

Automobile insurance men are somewhat apprehensive because of the new style automobile radiator, with low, slanting apron. Some of these aprons are so low that the car cannot be towed by ordinary methods without damaging the radiator. The more up to date garages have devices for lifting such cars while being towed, but the ordinary garage does not have such facilities. Thus, the chances are that the collision and property damage losses will be affected somewhat.

Another feature of the new construction in some cars, that may increase

the severity of losses, is the trunk body construction in the rear of the car.

CURB AMBULANCE CHASERS

Harvey Meyers, president of the Tennessee Casualty of Chattanooga, was quoted in newspapers of his city as stating that automobile liability rates will not be changed this year. He said he was so advised by the National Bureau of Casualty & Surety Underwriters. He blamed the fact that a reduction was not justified this year on the activities of ambulance chasing lawyers and generous juries. Last year there were fewer deaths and fewer accidents, but the cost per accident was greatly increased because of juries and ambulance chasing lawyers. Damages and injuries are manufactured. The burden of insurance can only be reduced by the curbing of ambulance chasing and the realization by juries that soaking the financially responsible car owner or insurance company is merely imposing a burden upon the entire community, he said.

If it had not been for drivers' license laws and the country-wide wave of traffic law enforcement, the mounting loss ratios of insurance companies would have compelled them to have raised rates to a point beyond which persons could not pay for it, he declared.



RALPH DANFORTH

day I asked him whether he had sold and taken his profit. When he replied that he had, I asked him whether he had bought a new automobile with the money he had made. Astonished at my question he said that he had done so and his new car was a couple of steps socially or economically ahead of his old one.

The point is that the first thing, or one of the first things a man will buy when his financial condition improves, is a new automobile. There is no greater thrill to many Americans than the appeal of a new car, and the many changes that have been introduced in automobiles in the last year or so have caused thousands to itch for a new car. You can be sure that they will satisfy their craving as soon as their capacity to buy is restored or as soon as they feel a little more certain of the future.

Important That Agents Revive Their Spirits

For the last three years automobile premiums in common with other premiums have slipped away in discouraging fashion. Cars took on age and arrived at a point where the assured did not regard insurance as worth while or the insurance company would not assume the risk. Others took a chance and went without insurance. As a consequence many agents have let down in their automobile insurance production. It is important now for these agents to revive their spirit and be prepared to develop their automobile business in

for the new Dec. 31, 1932

Annual Statements

of

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Exclusions to Look for in Policies

(CONTINUED FROM PAGE 4)

There is really nothing mysterious about insurance policy contracts. If they were read more thoroughly there would be a greater demand for simplicity of arrangement so that they would be more readily understood. The policy contract which clearly sets out the coverage, the exclusions and the conditions, respectively grouped together, has, in the writer's experience, proved both popular



WILLIAM MACINNES
American Surety and New York
Casualty

with producers and assureds because of simplicity. It is hoped that in the near future such a simplified policy contract will be standardized and adopted by the leading companies with its obvious advantages to the assured, the producers and the best interests of the business, though with corresponding disadvantages to those carriers which sell what is purported to be "just-as-good-at-less-cost," but which on critical analysis is found to be inferior.

Sell Related Lines For Complete Protection

(CONTINUED FROM PAGE 5)

house owner might be entertaining visitors and have a number of automobiles owned by these guests parked in his roadway or adjacent to his house. Should an explosion occur of an oil burner, or a gas burner, or of some other nature and damage these cars, claims could be presented against the property owner and he would be protected only through an explosion legal liability property damage policy. Many gasoline stations take out this cover, reasoning that if they should have an explosion, at the time of explosion there might be trucks or merchandise or expensive cars or a number of cars on their premises. Such policies have appeal to operators of gasoline stations, of garages and even to the owner of an ordinary home. Along this line of legal liability coverage, there is also possibility for a special policy to be issued now and then—as it has in the past—when there are special aviation meets. Every now and then some city or town arranges a special air demonstration for the purpose of encouraging aviation. There have been a number of instances where the government has cooperated and as many as 200 and 300 airplanes have been present, in order to give demonstrations in the way of formation, as well as stunt flying. The government in one or two

instances has refused to put on these exhibitions unless the municipality took out a policy in the way of legal liability property damage so that in the event of any airplane accident, which might injure many of the crowd present or damage any of the automobiles parked, the municipality would be so protected that the government would be in no way liable. This requires of course, the drawing up of special policies, but they represent short term liability and substantial premiums have developed.

Reporting Cover Related to Automobile Insurance

Then there is the matter of reporting covers as associated with automobile insurance. The well known Interstate Underwriters Board cover, or, in its common term, the general cover, cannot insure automobiles. In other words, automobile dealers who have a number of locations do not insure their automobile storage under these covers, but rather under a dealer's automobile policy.

However, there is a certain portion of such risk which is eligible to the I. U. B. cover or to the single state form "A" reporting cover. This is in the way of supplies, such as parts as well as allied products in the way of cleaning compounds alcohol, tires and other accessories. Many dealers with a number of locations and even automobile factories where they operate their own locations, have substantial stocks of tires and automobile accessories in their various locations throughout the country, and these can be insured on a reporting basis, either through the Interstate Underwriters Board at a promulgated average rate put out by this board, or under the form "A" single state reporting form, wherein the stock at these locations is insured at the tariff rate per location and in keeping with the rules.

A dealer or a manufacturer to be eligible for such a reporting cover must have two or more locations in two or more cities, although there are one or two states where two or more locations in one city are eligible. With two or more locations, the tariff rates are used and a \$100 minimum premium must be paid. If there are five or more locations, the I. U. B. will publish a rate, but a \$500 minimum deposit premium is required and then a \$300 minimum earned premium.

Coincident with this there is also a special reporting form provided for to take care of filling stations, both bulk and retail, although in some parts of the country this form is available only for bulk stations. Under this form fluctuating stocks of gasoline and oil can be insured on a pro rata cancellation basis.

Report of Values Is Made Once a Month

However, depending on whatever the form is to be used for, either for bulk stations only or a combination of bulk and retail stations, the rate used is the one published in the manual which is usually around .70. A report of values is made once a month by the operator of the station, but this monthly report must be the average of the values on the 1st and the 15th of the month. The assured does not report a daily average, but rather the average of the values taken on the 1st and 15th of each month, although there is a warranty in the policy that he will keep a record of his daily values. The initial premium is the rate applied to the first statement of values submitted, or rather the estimated values on hand at the time the policy is written. Then as the statements are submitted, they are averaged, and if the values increase an additional premium develops, or if the values decrease a return premium is allowed.

A knowledge of these related forms and covers even if you don't care to handle them yourself is important to the servicing and surveying of a client's insurance needs, especially in being clear on overlapage.

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Mutual Automobile Premium Volume Holds Up Well in 1932

MUTUAL companies had an unusually good experience on their automobile business in 1932 with a total premium volume of \$60,317,055, a decrease of \$1,817,489 or only 2.9 percent from their \$62,134,544 total in 1931. The mutuals decreased their loss ratio from 41.4 percent in 1931 to 40.1 percent in 1932, having \$24,235,255 in losses. The mutuals have always had satisfactory loss ratios, the loss ratio being 41.1 percent in 1930, 34.7 percent in 1929, and 34.6 percent in 1928.

The Lumbermen's Mutual Casualty of Illinois led the mutual field with \$11,494,692 in premiums, an increase of 11.7 percent from the 1931 total of \$10,290,801.

The State Farm Mutual of Illinois came next with \$6,371,153 in premiums, followed by the Liberty Mutual of Massachusetts with \$6,049,525, an increase of 17.5 percent over 1931. The Hardware Mutual Casualty of Wisconsin was fourth with \$3,489,224, representing an increase of 2.6 percent. The Merchants Mutual Casualty of New York followed closely with \$3,448,793. There were three mutuals companies in the \$2,000,000

class: The American Mutual Liability of Massachusetts, the Factory Mutual Liability of Rhode Island and the State Automobile of Ohio. The Utica Mutual and the Farm Bureau Mutual Auto of

1931, or a decrease of \$4,365,226 or 19.2 percent. The reciprocals had practically the same loss ratio in 1931 of 50.1 percent, compared with 49.5 percent. The Chicago Motor Club led the reciprocals

bile Club came third with \$2,248,744 in premiums, a decrease of \$570,204, or 20 percent. The Chicago Motor Club's losses totaled \$1,631,890, or a loss ratio of 56.8 percent, while the Automobile Club of California had \$1,129,590 in losses with a ratio of 43.9 percent, and the Detroit Automobile Club's losses totaled \$1,115,445 or 49.6 percent ratio.

The State Automobile Association of Indiana came fourth among the reciprocals with \$1,755,512 in premiums, followed by the Farmers Automobile Inter-Insurance Exchange of California with \$1,329,753 and the California State Automobile Club with \$1,115,060, all of which showed decreases in premium volume in 1932. Other reciprocals and Lloyds with large automobile premium are: Chicago Lloyds, \$521,526; Inter-Insurance Exchange, Automobile Club of Missouri, \$527,816; Keystone Indemnity Exchange, \$664,038; Pacific Automobile Indemnity of California, \$479,463; the Underwriters at Lloyds, Minneapolis, \$491,361; Automobile Association of Iowa, \$523,900; the United Service Auto of Texas, \$690,027, which writes commissioned officers.

Ten Mutual Automobile Leaders

	1932	1931	Inc. or Dec.	% Inc. or Dec.
Premiums	Losses	Premiums	in Premiums	in Losses
Lumber Mut. Cas., Ill.	\$11,494,692	\$10,290,801	\$1,203,891	+11.7
State Farm Mut., Ill.	6,371,153	5,654,438	712,715	+12.6
Liberty Mut., Mass.	6,049,525	5,085,724	963,801	+19.0
Hdw. Mut. Cas., Wis.	3,489,224	3,400,251	88,973	+2.6
Merch. Mut. Cas., N. Y.	3,448,793	3,465,709	-16,904	-.4
Amer. M. Liab., Mass.	2,541,248	2,509,793	31,455	+1.2
Factory M. Liab., R. I.	2,383,989	2,213,859	170,130	+7.7
State Auto., Ohio	2,150,962	2,073,765	77,197	+3.7
Utica Mut., N. Y.	1,994,576	1,666,109	328,467	+19.7
Farm Bur. M. Auto., O.	1,514,051	1,445,152	68,899	+4.8

Ohio ranked ninth and tenth respectively.

The automobile premiums of the reciprocals and Lloyds totaled \$18,492,842 in 1932, compared with \$22,858,068 in

premiums with \$2,877,690, or 24 percent. The Automobile of Southern California was second with \$2,569,233 in premiums, or a decrease of \$904,756, or 26 percent. The Detroit Auto-

Automobile Premiums and Losses of Mutual Companies

	1932												1931				
	Total		Loss	Inc. or Dec. in Prems.	Fire		Theft		Liability		Property Damage		Collision		Total		Loss
	Premis.	Losses	Ratio		Premis.	Losses	Premis.	Losses	Premis.	Losses	Premis.	Losses	Premis.	Losses	Premis.	Losses	Ratio
	\$	\$	%	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Abington Mutual.....	8,427	3,501	41.5	—38											8,465	2,157	25.2
Allied Am. Mut. Auto.	164,791	34,118	20.7		74,648	18,649	85,457	13,554		4,377	1,785	309	130	164,470	35,926	21.8	
Allied Mut. Auto., Ia.	181,996	87,181	47.9	—92,083					108,690	49,631	47,940	23,014	25,366	14,536	274,079	96,630	35.2
Amal. Mut. A., N. Y.	279,510	88,684	31.8	52,465					279,510	88,684					227,045	96,322	41.4
Amer. Farm. M., Minn.	5,918	7,867	132.9	—1,785											7,703	6,881	76.5
Amer. M. Liab., Mass.	2,541,248	1,124,152	44.2	31,455					2,030,645	973,440	442,705	129,824	67,898	20,888	2,509,793	987,413	39.3
Atlantic Mut., Pa.	11,451	25,293	220.9	—1,671	11,451	25,293									13,122	4,667	35.5
Autoist Mut., Ill.	349,077	150,615	43.7	27,814	16,997	4,542	31,302	10,412	171,693	77,377	103,576	26,415	25,509	22,869	321,263	196,857	61.3
Auto. Mut. Indem.	640,083	400,581	61.7	—161,546					630,091	390,764	18,844	9,740	148	77	340,659	134,375	39.4
Auto. Mut., R. I.	603,328	94,422	15.6	—11,898	603,328*	94,422*									615,226	85,072	14.3
Auto Owners, Mich.	907,772	341,378	37.6	—127,979	55,369	7,500	42,625	11,679	388,744	158,275	230,572	50,123	193,531	100,492	1,035,751	562,313	54.3
Badger State Cas., Wis.	16,002	518	3.2		512	165	378	92	5,864	193	2,063	62	292		82,251	26,428	32.1
Berkshire Mut. Fire.	73,554	31,114	42.3	—8,697											82,251	26,428	32.1
Bldrs. & Mfrs. Mut., Ill.	186,146	26,849	14.4	137,894	17,752*	6,384*			113,392	6,577	45,580	6,685	9,413	7,293	48,252	6,737	13.9
Burlington, Vt.	7,179	2,710	37.8	—4,010	4,704	2,530	3,139	179							11,190	3,555	31.8
Cambridge Mut., Mass.	15,124	8,515	56.2	—1,285					17,471	6,119	7,003	1,642	1,896		16,409	7,351	44.8
Capital, Neb.	68,430	24,229	35.4	—19,390	14,608*	8,911*	7,921	3,221	12,186	1,777	29,936	6,629	3,777	4,689	87,820	38,179	43.4
Celina Mut. Cas., Ohio	229,114	142,549	62.2	—27,197	13,245	7,596	9,661	5,510	128,805	83,489	52,827	25,594	22,072	19,877	256,311	96,164	37.5
Cent. Mfrs. Mut., O.	563,533	213,494	37.9	—66,186	205,636	60,765	151,922	46,405			31,803	11,745	165,461	93,158	629,719	291,613	46.3
Cent. Mut. Cas., Mo.	46,985	18,865	40.2	11,487					17,471	6,119	7,003	1,642	1,896		35,498	13,090	36.9
Central Mut., Ill.	282,128	73,406	26	136,769	17,830*	5,083*			210,962	59,696	15,717	5,580	18,139	3,047	145,350	58,488	59.4
Central Mut., Mich.	68,719	23,126	33.6	2,083					35,219	13,564	27,031	7,450			66,336	35,108	52.8
Cent. States M., Ia.	24,587	1,761	7	18,801	2,317	12	1,685	250	8,109	396	9,418	909	1,842		5,307	368	7
Checker M. Au., Mich.	150,469	64,346	42.8	—74,312	7,865*	1,126*			80,610	42,587	34,557	9,469	27,437	11,164	224,781	107,533	47.5
Chgo. Ice Prod. M., Ill.	27,950	5,544	19.8	1,505	2,950	9.3	2,950	1,666	1,746	1,746	1,746		1,746		36,445	12,288	33.2
Cit. Fund M., Minn.	206,458	101,342	49.2		13,355	8,467	12,060	6,531	120,455	55,592	41,497	16,776	17,091	13,986			
Cit. Mut. Auto., Mich.	602,233	376,092	62.5	—265,944											868,177	578,304	56
Cit. Mut., Mass.	33,535	10,337	30.8	—4,692											38,227	14,376	38.2
Com'l Mut., Ohio	17,841	40,876	229	—101,538	15,619*	26,104*							2,222	14,771	119,379	91,240	76.5
Cont. Auto. Mut., Ohio	127,523	55,918	43.7	—7,313	8,672	2,340	7,561	3,478	50,613	29,745	38,074	6,995	20,401	12,148	134,836	67,909	50.3
Cook Co., Farm., Ill.	52,197	15,487	29.7	—9,977	4,073	46	4,680	1,439	17,918	6,821	6,173	1,519	19,353	5,662	62,174	8,214	13.2
Dorchester Mut., Mass.	1,442	370	25.6	—89	1,442*	370*									1,531	213	13.9
Druggists Mut., Iowa	15,697	7,642	48.6	—5,753											21,450	3,150	15
Egyptian Mut., Ill.	8,319	3,248	39.2	1,088	3,348	2,298	4,496	858					458	92	7,231	3,669	50.7
Elec. Mut. Liab.	36,236	3,099	8.5	—2,824					28,325	1,811	7,011	1,288			39,060	8,043	20.6
Employ. Mut. Cas., Ia.	488,101	213,435	43.7	—16,791	30,213	15,262	24,029	11,122	270,526	127,447	130,609	41,096	29,521	17,724	504,892	245,919	48.8
Employ. M. Ind., Wis.	711,975	253,622	35.6	85,560	30,447	9,489	29,213	10,383	450,156	160,376	168,632	51,211	42,527	22,163	626,415	287,958	45.9
Exch. M. Indem., N. Y.	386,916	190,910	49.3	—71,705					289,007	151,788	96,566	37,975	1,343	1,147	458,621	160,225	35
Fact. Mut. Liab., R. I.	2,383,989	510,590	21.4	170,130					1,766,629	376,720	486,322	102,259	130,836	31,610	2,415,598	586,087	26.2
Farm Bur. M. Au., O.	1,514,051	624,149	41.2	68,899	25,048	14,600	44,985	15,785	643,514	315,029	283,210	121,333	517,283	157,402	1,445,152	494,035	41.1
Farm Mut. Auto., Wis.	196,112	88,775	45.2	—48,551	8,104	2,439	8,104	2,439	18,553	69,749	25,917	5,665	24,927		24,663	7,215	29.3
Farm M. Hail As., Ia.	187,872	102,499	54	—13,488	32,288*	19,862*			91,029	49,093	50,233	19,441	14,157	13,290	201,358	83,440	42.3
Farm Mut. Liab., Ind.	70,276	26,825	38	—13,570	5,103	528	3,344	1,662	25,250	10,660	17,376	4,399	18,029	9,485	83,845	33,646	40
Farm Un. M. Auto., Ia.	69,197	22,359	32.4	—29,870	3,231	2,861	1,440	1,752	34,942	2,913	20,217	6,269	7,642	8,577	99,067	40,345	40.7
Federal Mut. F., Mass.	100,937	34,356	34.5	—48,352	37,664	16,729	48,909	11,322					559	139	148,389	43,503	29.4
Fid. Mut. Fire, Ind.	14,403	5,458	37.9	2,344											12,059	4,194	34.8
Pittsburg Mut., Mass.	100,210	30,111	30	—10,634	33,787	13,833	28,863	6,534			18,746	4,763	18,814	4,981	110,844	43,227	39

(CONTINUED ON NEXT PAGE)

INSURANCE ADJUSTMENTS



REPRESENTING COMPANIES ONLY—ALL LINES

NICHOLS COMPANY

V. A. NICHOLS, President

WOODWARD BLDG., WASHINGTON, D. C.

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(CONT'D FROM PRECEDING PAGE)

	1932				1931			
	Total Premiums	Losses	Ratio %	Inc. or Dec. in Premiums	Total Premiums	Losses	Ratio %	
Franklin Auto. Mich.	39,950	20,071	38.7	-6,646	46,596	26,532	57	
Franklin Auto. M. Ill.	2,028	298	14.7	-883*	190	197	103	
Glen Cove M. N. Y.	24,097	14,004	58.1	-11,695	35,702	16,021	44.8	
Globe Mut., Mo.	16,656	12,729	75.5	-35,160	51,816	18,092	35	
Gr. Dir. Natl. M. Ind.	200,249	106,529	53.2	-22,713	222,962	97,800	43.8	
Green Mt. Mut. Vt.	18,383	4,999	27.2	-2,154	20,537	11,230	56	
Hampshire	6,945	2,765	54.2	-1,607	8,552	4,669	54.6	
Hdw. Dealers, Wis.	166,905	74,385	44.5	-97,414	264,310	133,232	50.5	
Hdw. Mut. Cas. Wis.	3,489,224	1,292,423	37.1	88,973	3,400,251	1,120,826	33	
Harleysville Mut. Pa.	542,592	251,752	46	88,567	454,025	198,045	43.7	
Holyoke Mut. Mass.	117,816	36,179	31	-15,807	133,623	50,317	37.6	
Home M., Broome Co.	3,102	1,467	46	-365	3,467	553	15.9	
Ill. Agr. Mutual	365,097	146,600	40.1	-16,981	382,078	155,496	40	
Ill. Mfrs. Mut. Cas.	104,525	31,126	29.8	-29,752	74,773	27,474	32	
Ill. Mutual	105	105	100	105*	105	105	100	
Impl. Dealers, N. Dak.	15,559	3,118	20	-2,344	17,903	8,232	46	
Indiana Liberty Mut.	95,948	80,897	84.3	-79,675	175,623	111,107	63.3	
Indiana Lumb. Mut.	32,211	12,088	37.5	859	31,352	11,435	36.5	
Interboro Mut. N. Y.	503,811	158,985	31.6	-9,222	513,033	184,470	35.9	
Iowa Hdw. Mut.	11,363	536	4.7	709	11,363	536	4.7	
Iowa Mut., DeWitt	109,944	60,368	55	-33,569	143,513	66,081	46	
Iowa Mut. Liab.	424,494	143,556	33.8	-14,733	439,227	169,058	38.5	
Jamestown Mut. N. Y.	238,118	52,218	22.3	24,451	262,569	60,966	28.5	
LaGrange M. C. Minn.	25,268	61,632	244.2	-200,864	2,746*	86,434	38.2	
Lake Shore Mut. Ill.	216,066	102,473	47.4	198,751	21,274	17,335	22	
Liberty Mut. Mass.	6,049,525	2,026,317	33.5	892,783	4,085,830	1,862,410	36.6	
Lumber M. Cas. N. Y.	212,208	75,503	35.6	-47,799	259,907	100,294	38.8	
Lincoln Mut. Indem.	25,378	15,903	62.8	-11,420	36,798	9,449	25.6	
Lumber, Bay City, Ill.	11,494,692	4,210,535	36.7	1,203,891	10,290,801	3,917,197	38.1	
Lumber M. Cas. N. Y.	212,208	75,503	35.6	-47,799	259,907	100,294	38.8	
Lumber Mut. Mass.	8,339	731	8.8	932	7,407	4,396	59.4	
Lumber Mut. Ohio	142,154	66,309	46.7	33,206	108,948	57,392	52.6	
Lynn Mut. Mass.	33,696	20,337	60.2	-4,531	38,227	14,376	37.5	
Madison Co. Ill.	103,203	65,289	63.8	-19,371	122,574	92,106	87	
Mfrs. & Mer. N. H.	21,754	6,395	29.4	-5,375	27,120	9,383	34.6	
Mer. & Farm. Mass.	17,034	2,428	14.3	-1,981	19,015	4,172	21.9	
Mer. & Mfrs. Mut. O.	9,497	5,403	56.9	2,619	6,788	1,176	17.1	
Merch. M. Cas. N. Y.	3,448,793	1,682,622	48.8	-16,904	3,465,700	1,619,439	46.7	
Merrimack Mut. Mass.	72,925	31,010	42.1	-4,662	76,687	25,877	33.8	
Mich. Millers Mut.	9,920	1,857	20.5	3,869	5,151	1,217	23.6	
Mich. Mut. Auto.	10,740	10,110	51.2	-14,951	34,700	27,054	80.8	
Mich. Mut. Liab.	790,768	331,516	41.9	-121,443	911,811	434,966	47.7	
Mich. Shoe Dealers	1,781	451	25.3	762	2,331	1,105	21.4	
Midwest Mut. Mass.	151,631	45,130	30	-20,391	172,022	64,693	37.6	
Millers Mut. Ill.	8,713	1,676	22	2,010	5,173	1,105	21.4	
Millers Mut. Texas	10,337	3,190	30.9	-1,102	11,439	3,018	26	
Mill Owners Mut. Ia.	1,674	1,689	100	-759	2,413	2,460	102	
Millwaukee Auto.	439,352	196,167	44	-16,636	455,987	213,312	46.8	
Minn. Imp. Mut.	175,435	79,812	45.4	-88,272	263,707	135,970	51.6	
Motorists Mut. Ohio	177,801	53,602	30.2	64,112	113,680	28,467	25	
Mutual Auto. Wis.	28,632	7,119	26	2,353	26,249	14,638	55.7	
Mutual Cas. N. Y.	13,929	3,142	22.3	930	12,990	482	16	
Mut. F. Sandy Spg. Md.	1,027	10	1	1,027	10	1	1	
Mut. Fire, Bel Air, Md.	18,829	13,175	70	-2,467	21,296	12,191	57.2	
Mut. Prot., Mass.	4,016	3,586	89.5	-8,909	12,925	6,631	51.3	
Natl. Grange M. N. H.	299,930	84,564	28.2	108,560	191,370	86,226	44	
Natl. Impl. M., Minn.	181,539	108,239	59.6	-15,296	196,835	120,251	61	
Natl. Mut. Cas. Wis.	66,660	31,306	47	5,369	61,291	35,431	58	
Natl. Mut. Ohio	11,632	7,099	62.7	-3,699	15,331	9,017	58.7	
Natl. Retail Mut. Ill.	380,149	81,551	21.5	213,392	166,757	73,971	44.4	
Natl. Und. Mut. D. C.	18,797	13,690	72.5	-10,678	29,475	14,935	50.7	
N. Y. Ce. Mut.	17,580	2,711	15.4	6,412	18,517	7,812	42	
N. W. Mut. Wash.	329,668	103,962	31.5	-136,738	466,406	163,119	35	
Ohio Hdw. Mut.	2,770	507	18.3	1,766	1,004	226	22.1	
Ohio Millers Mut.	310	...	...	...	...	...	...
Ohio Und. Mut.	11,339	3,409	30	-342	11,781	4,141	35.2	
Oregon Mutual	9,760	2,469	25.3	-4,941	14,701	7,679	52.3	
Pawtucket Mut.	132,990	31,781	11.5	-14,125	147,115	51,970	35.3	
Penn. Lumb. Mut.	35,136	18,205	51.9	29,474	5,662	326	5.8	
Pa. Thresh. & Farm.	159,868	20,930	12.5	84,544	75,324	9,233	12.2	
Phenix Mut. N. H.	17,405	5,106	29.3	-4,298	21,703	7,586	34.9	
Pioneer Coop.	6,731	2,324	34	919	5,812	124	21	
Preferred Class Mut.	118,441	34,338	29.1	3,470	14,971	30,481	26.5	
Preferred Mut. N. Y.	36,584	12,524	34	25,852	11,971	30,481	26.5	
Public Serv. M. N. Y.	426,561	247,105	58.1	27,433	399,128	229,310	57.4	
Quincy Mut. Mass.	56,430	16,354	29	-1,631	58,061	18,353	31.3	
Red Cab Mut. N. Y.	360,981	144,909	40.1	91,983	268,998	130,926	41.2	
Ret. Hdw., Minn.	183,856	85,735	46.6	-81,578	265,434	131,680	49.5	
R. I. Mut. Liab.	62,020	16,131	26	1,471	60,549	14,225	23.5	
Salem Mut. Mass.	2,270	243	10.7	-375	2,645	435	16.4	
Security Mut. Cas. Ill.	103,778	228,519	220.1	-938,356	1,042,134	290,153	28	
Serv. M. Liab. Mass.	91,229	33,155	36.3	9,175	82,054	55,410	67.5	
Shelby M. Pl. Gl. & C.	199,058	49,230	24.7	88,139	110,900	18,764	16.9	
Standard M. Cas. Ill.	91,229	55,247	60.6	-32,706	141,698	59,336	52	
State Auto. Ohio	2,150,962	1,073,765	49.9	-311,768	2,462,730	1,451,661	59	
State Farm M. Ill.	6,371,153	2,654,438	41.7	-752,470	7,123,633	3,084,052	43	
Trad. & Mech. Mass.	2,752	939	34.1	186	2,566	486	19	
Transport Mut. Mass.	149,225	88,679	59.4	21,830	128,195	59,157	46.1	
Union Mut. Vt.	17,271	2,757	16	-4,635	21,906	5,631	26.3	
United Mut. Mass.	407,039	103,508	25.4	8,365	398,674	100,408	26.1	
U. S. Mut. Liab.	44,520	25,130	56.2	5,206	39,314	20,895	53.1	
U. S. Mut. Ill.	84,378	72,983	86.5	-28,564	112,942	59,062	52.3	
Utica Fire	12,993	4,700	36.2	-223	13,184	4,454	33.8	
Utica Mut. N. Y.	1,994,576	770,488	38.5	328,466	1,666,109	615,962	37	
Vermont Mut.	7,709	2,952	38.3	-839	8,548	2,137	25	
Western Gr. Deal.	1,109	90	8.1	-154	362	459	125.2	
Western States Mut.	4,136	805	19.3	...	...	...	...
Wis. Auto.	414,285	326,022	78.1	-187,912	582,197	478,735	82.2	
Wolverine Mut. Motor.	73,202	27,645	37.8	-20,319	93,521	68,536	73.4	
Worcester Mut. Mass.	44,637	13,467	30	-7,087	51,724	12,453	24	
Workmen's Mut. Wis.	30,913	17,121	55.8	-10,583	41,496	6,252	15.1	
Total	60,317,055	24,235,255	40.1	-1,817,489	62,134,544	25,566,166	41	

*Includes theft. †Includes theft and wind. ‡Includes theft and tornado. §Includes tornado and wind.

RECIPROCAL AND LLOYDS TABLE ON NEXT PAGE

Chris Schroeder & Son Co.

MILWAUKEE

AUTOMOBILE INSURANCE

GENERAL AGENTS FOR WISCONSIN

Fire and Automobile Departments

210 EAST MICHIGAN STREET

TELEPHONE DALY 1951

Automobile Premiums and Losses of Reciprocal and Lloyds

	1932				1931			
	Total Premiums	Losses	Inc. or Dec. Ratio	Fire	Total Premiums	Losses	Inc. or Dec. Ratio	Fire
Auto. Indem. Ex., Cal.	43,410	22,647	52.3	—19,897	43,410	22,647	52.3	—19,897
Calif. Cas. Indem. Ex.	281,398	113,965	40.5	—22,317	281,398	113,965	40.5	—22,317
Calif. State Auto.	1,115,060	539,203	48.3	—291,775	1,115,060	539,203	48.3	—291,775
Cas. Recip. Ex., Mo.	353,827	238,951	67.7	—43,729	353,827	238,951	67.7	—43,729
Chicago Lloyds	321,526	233,365	44.7	88,643	321,526	233,365	44.7	88,643
Detroit Auto. Exch.	2,248,744	1,115,445	49.6	—570,204	2,248,744	1,115,445	49.6	—570,204
Economy Auto., Ill.	177,628	50,654	28.5	—17,769	177,628	50,654	28.5	—17,769
Empire Auto. Und., Ill.	7,229	2,875	...	...	7,229	2,875	...	...
Erie Ins. Exch., Pa.	207,778	73,339	35.2	—2,288	207,778	73,339	35.2	—2,288
Farmers Auto. A., Ill.	114,762	46,956	40.7	32,381	114,762	46,956	40.7	32,381
Far. A. Int. I. Ex., Cal.	1,329,753	583,309	43.9	—19,797	1,329,753	583,309	43.9	—19,797
Pt. Worth Lloyds, Tex.	31,675	15,896	50.2	—16,509	31,675	15,896	50.2	—16,509
Genl. Indem. Ex., Mo.	81,247	32,919	40.5	—15,434	81,247	32,919	40.5	—15,434
Gibraltar Cas. A., Cal.	117,251	86,539	73.8	—75,313	117,251	86,539	73.8	—75,313
Int. Ex. A. Cl., S. Cal.	2,569,223	1,129,590	43.9	—904,756	2,569,223	1,129,590	43.9	—904,756
Int. Ex. Chi. Mot. Cl.	2,877,600	1,631,890	56.8	—930,047	2,877,600	1,631,890	56.8	—930,047
Int. Ins. Auto. Cl., Mo.	527,816	354,666	67.3	—100,665	527,816	354,666	67.3	—100,665
Iroquois Auto. Und., Ill.	315,547	116,123	36.8	—31,203	315,547	116,123	36.8	—31,203
Kellogg Ind. Ex., Pa.	664,038	208,492	31.4	—39,631	664,038	208,492	31.4	—39,631
Lloyds America, Tex.	101,278	37,402	37.1	...	101,278	37,402	37.1	...
Mfrs. & Whol., Colo.	178,672	55,689	31.1	2,448	178,672	55,689	31.1	2,448
Midwest A. Und., Ill.	146,696	42,663	29.1	—33,424	146,696	42,663	29.1	—33,424
Motor Indem., Ind.	148,088	166,647	112.1	—17,792	148,088	166,647	112.1	—17,792
Nat. Auto. Own., Mich.	24,413	11,838	48.4	—10,026	24,413	11,838	48.4	—10,026
Nat. Indem. Ex., Mo.	85,900	46,636	55.6	—56,995	85,900	46,636	55.6	—56,995
North Cas. Und., Ill.	24,954	12,468	50.0	—8,099	24,954	12,468	50.0	—8,099
Pacific Auto. Ind., Cal.	479,463	356,369	74.5	—183,656	479,463	356,369	74.5	—183,656
Prairie St. Farm., Ill.	6,829	2,040	30.0	—11,451	6,829	2,040	30.0	—11,451
Reliable Auto., Ill.	32,700	56,459	172.5	—16,774	32,700	56,459	172.5	—16,774
State Auto. Assn., Ia.	323,900	258,902	79.9	—212,212	323,900	258,902	79.9	—212,212
State Auto. Assn., Ind.	1,755,512	1,054,123	60.0	—315,504	1,755,512	1,054,123	60.0	—315,504
Und. Lloyds, Minn.	491,361	218,539	44.5	41,239	491,361	218,539	44.5	41,239
Union Auto. Indem., Ill.	222,437	84,661	38.1	—55,859	222,437	84,661	38.1	—55,859
United Serv. Aut., Tex.	690,027	268,740	38.9	61,523	690,027	268,740	38.9	61,523
Total	18,492,842	9,270,090	50.1	—4,365,226	18,492,842	9,270,090	50.1	—4,365,226

*Includes collision.

†Includes property damage.

†Includes theft and tornado.

*Includes theft and personal accident.

Extension of New Chicago Plan Advocated

(CONTINUED FROM PAGE 14)

distinguish between the person who welcomes a theft and the person who is merely careless. The financial exigencies of the assured would be a fairly safe measure of determining the difference.

In dealing with persons who are careless, the adjuster is in a position to wield considerable moral influence if a record of repeaters is being kept by the companies. Heretofore an assured has been able to go from one company to another and collect for loss after loss. The adjuster has not been in a position, in good faith, to warn such a person that if he suffers more than one loss he will appear on the records as a repeater and will be scrutinized very carefully by the insurance company. In many cases of theft, the assured, if he is conscientious knows pretty well that he has done something to make the theft easier. If the adjuster will make some soundings, he will usually touch this vulnerable spot and the assured will have more respect for him and for the insurance company, with the result that he is likely to be more careful in the future.

Value of Independent Shops Is Pointed Out

One step that has been taken in Chicago in an attempt to overcome the organized practice of stripping was the agreement on the part of the companies to cause replacements to be made by authorized automobile dealers. That this system has not produced better results is probably due to the fact that it was assumed that all authorized dealers are entirely above suspicion. While the authorized dealers as a class are to be relied upon the companies blindly can't depend upon all of them. Discrimination must still be used. It must be remembered that it was the competition of reliable independent shops that compelled the authorized dealers to come to terms with the insurance companies in the matter of making estimates. In former days the authorized dealers had something of a monopoly and were exorbitant in their charges. The companies should not forget that the independent dealers again may be a vital factor competitively.

Everyone has observed how the fire losses have decreased since the com-

panies decided to defer loss payments until 60 days after the filing of proof. This may merely be a coincidence but a good many people in the business think that it is a question of cause and effect and that the dropping off in fire losses indicates that a good many more claimants were dishonest than was generally supposed.

It is interesting that automobile theft losses have also fallen off since the companies decided to defer loss payments for 60 days. The falling off in automobile losses is the more significant because it comes at a time when the automobile season is opening up and normally an increase rather than a decrease in losses would be expected. The companies have taken wholesome action in this respect. I believe that, in the automobile field, they could further improve their experience if they would extend throughout the country the system that is being introduced in Chicago through the Cook County Loss Adjustment Bureau. That is, to report their losses to headquarters in the various zones so that a fund of information would be built up, upon which to base underwriting of the automobile business and to furnish an intelligent and sound basis for adjustments where dishonest claimants are concerned.

Selling Complete Auto Protection Urged

(CONTINUED FROM PAGE 19)

so doing he increased his premium income on those 12 lines over 200 percent and added approximately \$50 to his commission income from the 12 property owners. The good results do not stop at that point, for whenever he pays a collision claim (and he will pay some) under those policies, he is adding to his sales arguments for every other automobile owning client and is cementing more closely his relations with the client who sustained the loss.

Most People Continue to Operate Their Cars

There are not as many new cars being sold as in more prosperous periods and many of the cars purchased are financed and insured in connection with the installment payment plan. However, most agents will find that their present clients will be very reluctant to give up their cars and most of them will continue to operate their old machines. So you have the chance to sell them auto-

mobile insurance and should see that they are given an opportunity to select the kinds of protection they should carry. You should also see that they understand the advantages of other lines of insurance protection more or less related to automobile ownership.

Soliciting an automobile fire and theft renewal should give an alert agent the chance to explain the advantages of personal effects floaters, proper limits of liability and property damage insurance, deductible collision, plate glass, windstorm and personal accident covers.

Show Client Need For Full Protection

The client should be given every opportunity to extend his insurance protection on his car, as well as to understand the value of carrying the other forms that the agent has explained to him. Then if the client finally decides to take less than the full protection you have suggested, you have at least impressed him with your fitness to take care of his interests and can perhaps sell him some of the other coverages at a later date. By all means, avoid conveying the impression that you are trying to sell him as much insurance as possible merely for your profit in it; bend all your sales effort towards making the client feel that you are offering your expert advice and assistance to the end that he may protect himself against as many possible causes of financial loss as he feels he can afford. Work with him to fit the insurance to his needs—and to his pocketbook—and you will profit by it in the long run.

After you have satisfied yourself that the insurance needs of your present clients have been taken care of, then it will be time enough to go after new prospects or to work up business on cold canvass. But most insurance pro-

ducers learned many months ago that active effort is needed to get any kind of business, for the day has passed when a property owner will voluntarily seek to add to his insurance protection. Too many, under today's conditions, need vigorous reassurances to prevent lessening their insurance protection under mistaken ideas of economy, and an important part of your work today is keeping your present clients sold on retaining their present protection.

Removing the Mystery from U. & O. Insurance

By W. S. Foster

Mr. Foster is one of the leading authorities on Use and Occupancy and is often asked to address organizations of business men on this subject because he has the faculty of making it clear. The book "Removing the Mystery" has been developed from his lectures and gives "lantern slides" and all. Valuable to every agent and field man.

Price \$1.25

The National Underwriter
A1946 Insurance Exchange
Chicago

THE NATIONAL UNDERWRITER

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Hartford Officials View Various Phases

(CONTINUED FROM PAGE 18)

dent frequency and severity, they believe, is practically entirely upon the shoulders of the operator. But little rests upon the automobile.

In this connection discussion was had on the question of old cars as to whether they constitute a menace upon the highways. It is agreed that they do cause a big hazard but it is felt that this has decreased considerably in the past two years. The reason for this lies in the fact that the economic situation of the present has caused many owners of automobiles to keep them in a good state of repair. These owners apparently believe that it will be some time before they will be able to purchase a new machine and that they must, therefore, watch out for the old car. Two years ago, insurance men here say, the object was to drive a car until "it fell apart" and to spend no money for repairs. Today, with no prospects of a new car, the only one must be kept in repair or there will be no transportation for the family.

There has been much discussion of the high rate of loss by theft in some of

the larger cities. Chicago has been a noticeably bad spot. It has been reported that companies might refuse to write coverage in these areas, that rates would be doubled or that mercantile reports would be resorted to in each policy issued. Hartford companies are at variance in the method to be employed to combat these losses.

Municipal Authorities Must Check Auto Thefts

One official declared the rates would have to be doubled unless the municipal authorities effected the arrests of the many thieves in the larger cities. It is admitted that there are bound to be spots in the country where the risks are bad. But the losses may be curbed, others believe, by the issuance of policies calling for 75 percent coverage and eliminating the pilferage coverage in the contracts.

Credit reports, it is felt, should not be used "wholesale." They are, unquestionably, of great benefit to the companies but they are also a source of expense. The companies maintain large agency forces and these forces are coming to be relied upon more and more in the matter of underwriting. It is obviously impossible for the agent to know thoroughly all risks but there are many risks the agent does know and where it is not necessary to use mercantile services.

Underwriting on a general average basis in the finance field, is bound to show a loss, executives feel. Some made the statement that such business is dangerous under present-day conditions. One of the largest companies, however, has devoted much time to obtaining finance business from small local finance companies and has rigidly avoided the large, general risk. Experience of this company has shown that risks are not affected by the fact that the time payments are used. Most cars are bought on this basis today with the result that the owner feels responsibility as much as though he had title to the machine.

Motor Clubs Encroach on Insurance Industry

The subject of motor clubs and their encroachment upon the insurance industry is an interesting study. This invasion should be curbed, officials declare. This subject is one to which every thinking agent must give considerable attention. If he fails to recognize its importance he will see business go to the clubs which should go to the companies.

As long as the companies maintain the agency system they must leave it to the agent to devise ways and means of obtaining business. It is not thought that the method of the clubs could be used by the insurance industry. Zoning of cities, and a high-pressure can-

vass by paid salesmen, would soon lower underwriting standards were the companies to adopt this plan of the clubs. This plan is essentially one of intensive cultivation where a man is paid a salary if he produces and where he is discharged if he fails.

The clubs have, however, made inroads on company business. In order to combat the clubs some companies have resorted to towing and road service in their coverage. It is possible that they may have to broaden the coverage in this field if the competition becomes too strong.

Local observations on the question of financial responsibility laws are of interest not only because of the importance of this subject but because the state of Connecticut was the first in the union to employ this method of protection for automobilists and pedestrians.

Hartford companies do not favor the out-and-out law of Massachusetts. The Connecticut law has proven much more satisfactory and desirable. The latter statute has brought about a realization by the public that insurance is vitally necessary if one is to remain upon the highway. One can "take a chance," and not carry insurance if he so desires. Connecticut law does not demand insurance before plates and license are issued. But Connecticut law does declare that if an accident occurs "financial responsibility" must be shown before the operator may again drive a car. Thus, is instilled a fear that one may be legislated off the road.

"The necessity for carrying automobile liability insurance," one official said, "against personal injury and property damage claims is becoming more and more recognized. This is partially, if not largely due to the fact that an increasing number of states are, through the enactment of financial responsibility laws, requiring owners of automobiles to be in the position of showing, up to a certain sum, evidence of financial responsibility."

"Unquestionably, most responsible owners of automobiles are safeguarding themselves against the provisions of the automobile financial responsibility laws through the medium of proper and adequate insurance."

In this era of purchasing on time payments some insurance companies have adopted the monthly payment plan. It is not being pushed by the companies to any marked degree. It is there if the policyholder wishes to take advantage of it but the agency forces have generally applied the usual method of payment in full or quarterly payments for protection. In some instances the time payment plan has been of real benefit to those who wish to buy insurance but who are not able to make a full payment.

Automobile One of Best Insurance Lines

Automobile insurance, officials in Hartford assert, is one of the best lines of the industry today. The large number of automobiles on the highways have brought about a realization by the public that the insurance is necessary, that it is fool-hardy to drive a machine without coverage. Firm in the belief of the lucrativeness of the field, the business is being "ridden hard" at the moment.

In the last analysis, however Hartford companies feel that the difference between profit and loss in the business is in the underwriting. Cooperation from agents to better underwriting standards is being constantly urged; wholesale and blanket coverage is being avoided. Character is being investigated before the risk is assumed. This is especially true where large numbers of gangsters and racketeers operate. Companies here are not in favor of organized effort to eliminate gangsters from obtaining policies. Each company feels the direct responsibility of the risks assumed and is doing everything possible to ascertain the desirability of the risk before it goes onto the books.

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The Accident and Health Review

A-1946 Insurance Exchange
Chicago, Illinois

Automobile Registrations Decline Six Percent

(As of Jan. 1, 1932 and 1933)

State	Passenger Cars 1932	1933	Total Motor Vehicles 1932	1933	Percent Change
Alabama	213,626	195,173	247,521	227,400	-8.0
Arizona	92,939	86,433	105,572	98,183	-6.5
Arkansas	165,417	148,900	187,417	168,700	-10.0
California	1,971,170	1,904,348	2,076,383	2,011,202	-3.1
Colorado	276,376	254,500	308,458	283,400	-8.1
Connecticut	302,316	290,766	356,243	345,016	-3.1
Delaware	45,642	43,538	55,633	52,994	-4.6
Dist. of Columbia	169,907	164,810	190,786	184,025	-3.0
Florida	273,927	252,000	324,746	290,183	-10.5
Georgia	274,576	243,140	320,312	284,540	-11.1
Idaho	97,398	87,658	113,061	101,758	-10.1
Illinois	1,411,261	1,312,736	1,612,770	1,502,736	-6.8
Indiana	737,254	674,000	867,478	794,877	-8.5
Iowa	671,830	607,626	752,882	682,509	-9.2
Kansas	481,742	438,000	562,226	510,000	-9.2
Kentucky	292,234	265,108	329,309	297,719	-9.8
Louisiana	215,117	193,119	262,900	234,619	-10.6
Maine	151,920	144,314	187,746	178,324	-5.1
Maryland	288,485	286,431	325,189	321,307	-1.1
Massachusetts	732,027	707,963	840,190	812,769	-3.2
Michigan	1,078,345	1,001,236	1,230,980	1,136,065	-7.6
Minnesota	613,120	582,450	723,421	686,072	-5.1
Mississippi	152,929	137,636	183,650	165,285	-10.0
Missouri	657,202	603,164	753,202	696,164	-7.6
Montana	104,547	88,500	128,584	109,000	-15.2
Nebraska	357,706	316,571	417,769	368,223	-11.8
Nevada	25,402	25,281	32,712	32,063	-2.0
New Hampshire	93,068	89,500	111,986	106,500	-4.8
New Jersey	731,621	729,835	872,119	869,311	-0.4
New Mexico	65,441	61,944	81,325	76,862	-5.5
New York	1,928,701	1,912,392	2,323,041	2,277,363	-2.0
North Carolina	378,292	340,000	432,935	390,900	-9.5
North Dakota	144,705	127,340	171,293	150,737	-12.2
Ohio	1,531,000	1,427,980	1,722,929	1,594,700	-7.2
Oklahoma	428,140	385,326	482,725	434,453	-10.0
Oregon	244,509	237,146	269,681	262,228	-2.7
Pennsylvania	1,515,548	1,443,469	1,743,083	1,663,551	-4.5
Rhode Island	118,155	114,500	138,801	134,131	-3.2
South Carolina	182,239	170,000	206,963	192,000	-7.1
South Dakota	169,911	149,500	193,820	170,550	-12.2
Tennessee	318,544	267,700	353,640	301,700	-14.6
Texas	1,084,624	1,002,000	1,296,837	1,188,720	-8.3
Utah	91,381	82,500	108,958	98,800	-9.4
Vermont	75,282	68,970	83,877	77,337	-7.8
Virginia	323,170	301,500	382,954	354,975	-7.5
Washington	366,912	382,741	428,708	452,320	+5.6
West Virginia	217,874	193,150	257,560	227,800	-8.0
Wisconsin	641,059	588,539	759,814	700,670	-7.7
Wyoming	51,283	46,200	62,200	55,800	-10.2
TOTALS	22,555,874	21,177,633	25,982,389	24,356,541	-6.2

*Figures include state owned and official cars.

—From the "Automobile Trade Journal."

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AUTOMOBILE**

CHARTS

THIS

YEAR

MORE

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EVER

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*"Most comprehensive, low priced, statistical
compilations of the business"*

More Necessary Than Ever Before!

These new Annual Statements for December 31st, 1932, reflect the sweeping changes that occurred in the financial set-up of insurance companies during 1932 and previous years. All insurance men and the public as well are keenly interested in the results during this great testing time of American Insurance. Agents almost must have the new data to sell or advise authoritatively and convincingly in 1933.

Changes in Capital Structure—Security Reserves— Exact Basis of Valuations

The new 1933 Argus Charts show clearly the changes in capital structure, the reserves for security depreciation, and the exact basis of security valuation for both the December 31st, 1931 and December 31st, 1932 statements as well as other vital figures of the companies' financial reports and records of business done.

The Most Information at the Lowest Cost ("You can find it in the Argus")

Argus Charts show the facts and figures for **far more companies** than other charts. They include the data on all companies including Mutuals, Reciprocals and Lloyds having \$25,000 or more in annual premiums. Agents quite frequently wish to refer to companies not so generally well known. **Such companies are included in the Argus Charts.**

***Some Improvements in 1933 Argus Charts**

The new Argus Charts will be slightly larger than heretofore and will include a number of new columns of information.

For Stock and Mutual Fire Companies

Two new columns are shown: "Premiums Earned" and "Underwriting Expenses Incurred." Also *two new ratios making five ratios in all, namely Ratios to Premiums Written. (1) Losses Paid, (2) Losses Incurred, (3) Underwriting Expenses Paid, (4) Underwriting Expenses Incurred and also (5) Losses Incurred to Earned Premiums.*

For Stock Casualty-Surety Companies

A new column showing Capital year by year. A new ratio, "The Combined Loss and Expense Ratio."

For Mutual Casualty-Surety Companies

This section has been completely rearranged to the same basis as Stock Companies. In the record of business done, it shows: Net Premiums Written, Premiums Earned, Total Income, Losses Paid, Losses Incurred, Expenses Incurred and Dividends Paid. Also two ratios to Premiums: (1) Losses Incurred to Earned, (2) Expenses Incurred to Written and also (3) the "Combined" Loss and Expense Ratio.

*From no other source can you obtain so
much of this information so vital for 1933
at so low a cost!*

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KANSAS CITY

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 20, 1933



Let these FACTS help you sell AUTOMOBILE INSURANCE

FINE NEW ROADS are beckoning fast new cars. Spring is almost here. Spring—the accident season for motorists—the harvest season for alert agents. It's the ideal time to sell the average car owner. He needs automobile insurance. You can show him why. And you can help him select it wisely so as to get broad, safe coverage.

Point out that present-day juries composed of part-time and unemployed men are quick to pass judgment on him. That adequate coverage will protect him against the possibility of a ruinous verdict. But warn him that all policies are not what they seem—that many "bargain" policies contain exclusions which may leave him *unprotected*.

Tell him the facts. U. S. F. & G. policies contain no misleading clauses, no loop-holes. They are backed by one of the strong American *stock* insurance companies—with a record for adjusting claims fairly and paying them promptly.

Our folder entitled "They Call It Automobile Insurance—But Is It?", will tell your prospects the real facts. See that every prospect gets a copy. Write for a supply today!



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with which is affiliated

. . . Fidelity & Guaranty Fire Corporation . . .

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THE HOME INSURANCE COMPANY NEW YORK

Strength

« »

Reputation

« »

Service

The National Underwriter

Thirty-Seventh Year—No. 16

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 20, 1933

\$4.00 Per Year, 20 Cents a Copy

Important Moves Made at Meeting

Progress Shown in Reports to
Western Underwriters
Association

SOME HIGH LIGHTS GIVEN

Chicago Premiums Show a Decline of
47 Percent in 1932 as Compared
With 1928

While the militant supporters of the movement to bring about some reform in the payment of cigarette losses were sidetracked at the meeting of the Western Underwriters Association at White Sulphur Springs, yet they evidently will keep up their agitation. In the meantime it is hoped that the National Board may take some action or if it does not, the sponsors of the cause will bring up the subject again at the fall meeting.

There are two schools of thought among those who support the cigarette loss movement. The first advocates an exclusion clause and the other a deductible clause. The opponents of the exclusion clause in the policy claim that such would present insurmountable difficulties. The inference would be that with cigarette losses excluded, all other scorch losses would be admitted. It is claimed that the mutuals would not include such a clause and hence they would have an advantage. It was stated also that such an exclusion would increase the sales resistance.

Handling Exceptional Risks

So far as the deductible clause is concerned, whether \$10, \$25, \$50 or \$100, the claim was made that any sort of loss would be stretched to a point where it would overcome the deductible amount. The spectre of the exclusion clause being illegal came up.

The organization authorized the governing committee to develop means and methods of handling exceptional risks where there are large values. It is evident that schedules and practices cannot be applied to all risks of this character. There are large values involved and many of them have complications that have to be met. There are special features that must be considered. The schedules and rules are built for general application but they are regarded as too rigid for some of the large enterprises where the hazard is comparatively low and the moral hazard is excellent. In other words, the Western Underwriters Association finds that there must be more selectivity. It is not desirable to allow any rate credit but the rules and schedules should be responsive where there is a real need.

Another important step was taken regarding financing premiums. It was evident that a number of executives from the east are not in favor of having a company owned finance company. They feel that the time is not ripe for

Revised Valuation Basis Regarded As Inevitable

NEW YORK, April 19.—That the formula adopted by the National Convention of Insurance Commissioners for valuing securities in annual statements is not universally acceptable has been recognized for months past, and there is little doubt that it will be altered when the commissioners meet in Chicago, June 1-3. The only speculation concerns the nature of the changes that will be determined upon.

While Commissioners Sullivan of New Hampshire and Mortensen of Wisconsin required companies to file statements on Dec. 31 values in addition to the returns under the regular convention forms, it is hardly conceivable that such policy will be generally followed, unless there is a substantial advance in security values in the next eight months.

Some Change Probable

Many company officials feel that while the commissioners will agree on some changes in the valuation methods employed in the past two years, they will not go so far as to declare for strict market values. When the commissioners accepted as the basis for the value of securities in the 1932 statements, quotations as of June 30, 1931, which proved to be those arrived at by using the convention formula of taking the figures of the last day of five preceding quarters and dividing the total by five, some officers felt a more accurate gauge of values would have been reached had the figures as of the closing days of September and of Dec. 31, 1931, been incorporated, instead of those of two first accepted quarters. Grant-

such an enterprise. In the meantime the independent companies should be used. It is found that there are three groups in the W. U. A. that have finance companies for themselves. All of them have casualty companies and primarily the finance companies are for the use of casualty premiums. However, fire insurance is included. It was decided, therefore, that no company be allowed to make financing arrangements with any enterprise unless it is open to all members.

Next, there must be no waiving of policy provisions. This applies particularly to cancellation, the short rate being insisted on.

Rule on Unfriendly Conduct

Another step taken was to enlarge the rule on unfriendly conduct to include charges of unethical procedure of any kind. Heretofore the rule has applied to the substitution of a member company in an agency for another member company. All other charges were excluded. Now almost any sort of charge well founded can be brought to the attention of the governing committee.

H. C. Clift, assistant secretary of the American Standard of Oklahoma, was elected to membership to succeed E. L. McIlvain. The W. U. A. has 164 active members and 25 honorary. There are 253 companies in the organization.

The waste in not taken policies was

ing permission of companies to file either under the convention formula or on the strict market basis in 1932 led to much confusion through the comparison of annual returns, and was responsible for the insistence by the New York department that reports for 1932 were to be on the convention basis only. In practically every case companies included among their liabilities a sum to offset security depreciation, the amount so reserved in many though not all cases being sufficient to bring the convention figures to a parity with market quotations as of Dec. 31, 1932.

Market Values Not Favored

While the New York department was insistent that convention values only be used in the 1932 statements, other states allowed their companies to use market figures if they so desired, as a number did. The result was to intensify competition in the field.

Officials of New York companies hold that whatever method of valuation be determined upon by the state authorities, its application should be uniform the country over.

It is the further belief that in considering the financial status of a company due allowance should be made for the equity in its reserve. So far as the average fire company is concerned, this would be 40 percent, for that is probably the least commission that would be paid in any reinsurance deal. In spite of the vast liability of the Globe & Rutgers, reinsurance could have been secured through a pooling arrangement, had the company possessed sufficient free assets to pay for the transaction.

emphasized. The report stated that in Chicago during one month a company had 800 policies returned that were not taken. It was suggested that agents and brokers ascertain ahead of time, more than they do now, whether an assured desires to have policies renewed. This would cut down the number of policies not taken.

George C. Long, Jr., Phoenix of Hartford, reported for the inland marine committee, stating that most companies are now making a bid for these classes. In days gone by there were not many skilled underwriters that were acquainted with these lines. He said that it was apparent that there should be some regulation. The Inland Marine Underwriters Association, he said, has stabilized the business fairly well. London Lloyds and purely marine companies went after the inland marine business and now almost all companies are seeking it. He said the Inland Marine Underwriters Association deserves the full support of the W. U. A.

J. M. Thomas, National Union, reported for the committee on contractual relations with agents. The association decided to adopt the form devised by C. R. Street of the Great American with two changes. The full text will be promulgated in a short time.

The decision as to places for holding
(CONTINUED ON PAGE 19)

Expect Decision on G. & R. Shortly

Reorganization Plan Involves Sale
of Stock to U. S. and
Claimants

COURT ACTION AWAITED

Counsel for the Conflicting Interests
Have Exchanged Original and
Reply Briefs

NEW YORK, April 19.—Whether the Globe & Rutgers will be placed in the hands of the department for liquidation as petitioned for by Superintendent Van Schaick or given opportunity to reorganize as desired by its management should be known very shortly. Supreme Court Justice Frankenthaler is expected to render his decision the latter part of this week, counsel for the conflicting interests meantime having exchanged original and reply briefs.

Should the court conclude to permit the company's attempted reorganization, the committee, composed of H. E. Bilkey, Charles Dana, William Gilmour, Charles Hayden and A. H. Swayne, will attempt rehabilitation along these lines: two new issues of preferred stock and of additional common stock would be sanctioned; the first issue not to exceed 150,000 shares of \$6 cumulative preferred stock par value \$100, shares of which would be offered the Reconstruction Finance Corporation; the second issue of preferred stock to be junior to the prior preferred to consist of not to exceed 1,200,000 shares of \$1.50 preferred stock with dividends cumulative after two years, having a low arbitrary par value, but with liquidating value of \$26 per share and accrued cumulative dividends and redeemable at that figure plus accrued dividends.

Conversion of Claims

Shares of this issue would be offered policyholders and creditors through the conversion of their claims at the rate of \$100 of claims for either four shares of preferred stock, or three shares of preferred and one of common. While not essential to the plan the R. F. C. would be asked to subscribe to one share of prior preferred for each share of preferred stock subscribed by stockholders and creditors up to a maximum of 150,000 shares, that is \$15,000,000 par value of prior preferred. The R. F. C., should it subscribe, would be asked to pay for the stock in cash or by the conversion of all or a portion of the outstanding secured loan of \$10,000,000 already granted by it to the company.

Additional Series Proposed

Though not part of the plan an additional separate series of new preferred stock may be issued and sold to others at \$25 per share; shares of such series to be convertible into shares of common stock, otherwise to be on a parity
(CONTINUED ON PAGE 6)

Kansas Farm Rate Changes Made Effective April 15

INCREASES ARE ANNOUNCED

Credits Are Now Allowed for Spark Arresters and Standard Installation of Electric Lights

A new farm property rate schedule has been filed in Kansas by W. C. Hodges, manager of the Kansas inspection bureau, effective April 15. Changes include a slight advance in the fire and lightning rates on dwellings, barns, outbuildings, etc. Tornado rates on the same class are reduced 10 percent on one year policies and increased 10 percent on five year.

While the fire and lightning rates for frame shingle roof dwellings, barns, outbuildings, etc., have been increased from .70 to .80 for 1 year; \$1.40 to \$1.60 for 3 years; and \$2.25 to \$2.55 for 5 years, a credit of 10 percent is allowed for standard installation of electric lights in dwellings and contents only and a further reduction of 5, 10 and 15 cents for 1, 3 and 5 year policies respectively for the installation of approved spark arresters providing the spark arrester clause is attached. With both of these credits a net rate lower than the previous rates which have applied since Feb. 16, 1920 can be granted.

Short Term Grain Rates

Short term grain rates have been increased from \$1.10 to \$1.25; hay in barns has been increased from \$3.35 to \$3.85 on the cash plan; live stock rates have been slightly revised; tornado rates on masonry silos with masonry roofs slightly increased, and other minor changes adopted. Power farm machinery, farm tractors, and private (power) farm elevators, incubators and brooders rates and lightning rod credits remain unchanged.

The definition of farm property has been changed to include such property "whether located inside or outside the corporate limits of cities, towns or villages."

Limits and amount of insurance for ordinary live stock have been reduced from \$150 to \$125 on horses and mules; and \$20 to \$12 on hogs. Where insurance exceeding \$175 on any one horse or mule; \$100 on any one head of cattle; \$25 on any one hog; or \$10 on any one sheep is desired a special form must be used. The limits on fancy live stock have also been lowered and stallions, jacks, bulls, insured for any amount, or horses or mules, insured for more than \$200 per head now come under this class, whereas the previous limit was \$250. Other stock has been changed in proportion.

Fire department service charges may now be covered, but shall be included as a separate item and the regular fire rate that applies to the risk is to be charged for each \$100 of insurance.

CREDITS IN ILLINOIS

A bulletin has been sent out by the Illinois inspection bureau announcing a reduction of 5, 10 and 15 cents for one, 3 and 5 year policies respectively for installation of approved spark arresters.

Illinois Licenses Issued

Up to and including April 15 the Illinois department had issued 38,188 agents' licenses, 441 licenses for solicitors attached to agencies, 3,620 brokers' licenses and 96 licenses for solicitors attached to brokers.

The Illinois insurance department has ruled that solicitors attached to agents' offices and also to brokers' offices must be full time employees of the appointing agency or broker.

Given New Post



FRED W. KOECKERT

Fred W. Koeckert of New York City, United States manager of the Commercial Union group, was elected vice-president of the Western Underwriters Association at its annual meeting in White Sulphur Springs. Mr. Koeckert is western born and reared. He started his insurance career with the old German of Indiana at its home office in Indianapolis and later went with the Phenix of Brooklyn in Indiana. He was in Chicago this week enroute to St. Louis where the annual meeting of the American Central is being held, it being one of the Commercial Union fleet.

Palmer Says Insurance Has Demonstrated Its Strength

Insurance Superintendent Palmer of Illinois in his talk before the Rotary Club at Springfield Tuesday evening said he expects the proposed law regulating the investments of life companies to be passed at this session of the legislature. At the next session in 1935, he said that he will present a new insurance code which he thinks will be equal to that of any other state. The insurance business is sound, Superintendent Palmer de-

Chicago Auto Salvage Plan Is Now Placed in Operation

SAVINGS ALREADY EFFECTED

Central Salvage Bureau Is Assigned to Act as Depot in Arrangement to Eliminate "Fences"

An automobile salvage plan in Chicago is already in operation and has brought about savings to the companies, former reports that the salvage plan had been deferred temporarily, being misleading. The Central Salvage Bureau has been created with headquarters at 2360 Prairie Avenue. Harry Hollingshead is president.

Questionnaires were sent to the companies by the western advisory committee of the National Automobile Underwriters Association, setting forth the objectives of the plan and asking for support. About 50 percent of the companies have replied that they are willing to participate. This questionnaire was not in the nature of a referendum. Those companies that reply favorably will use the facilities of the salvage company and probably many who do not reply at all will also use these facilities.

Dismantles the Cars

The salvage firm, under the plan, dismantles automobiles that are deemed to be junk, destroying all identification and selling for junk all such cars and materials that are no good. The salvage company lists, bins and stores such usable parts taken from cars that are not fit to be rehabilitated.

Those cars that are not beyond repair are being rehabilitated. Those usable parts that have been salvaged on stripped, burned or stolen cars are being utilized in rehabilitating other cars.

The salvage company is purchasing parts that are needed to place stripped cars in usable condition and is billing the companies at cost, plus 10 percent.

The salvage company proposes to sell (CONTINUED ON PAGE 20)

clared in his talk. He said it has stood up as well as any other business during the depression. It will continue to protect the people of this country and their faith displayed in it is justifiable, he added.

Adjustment of Many Agency Problems Must Be Deferred

PERCY GOODWIN GIVES VIEWS

Big Economic Issues Must Be Settled First, Leader States in Message Intended for Louisville Meeting

In the second section of the report prepared for submission at the mid-year meeting of the National Association of Insurance Agents, Percy H. Goodwin, chairman of the fire conference committee, deals at length with the questions of a model agency qualification law, the writing of farm business, inland marine covers, reinsurance arrangements between companies and the banking laws as affecting bank agencies.

Cost of Branch Offices

He urges agents to devote themselves to their individual affairs at this time, holding that adjustment of general problems must be deferred until there be improvement in the general economic situation. Mr. Goodwin holds that among the benefits that will come about in underwriting circles through natural evolution, will be fewer companies and those of proven strength; fewer agencies, "because the companies are learning through experience that the reckless appointment of inexperienced and unqualified agents does not pay, and fewer branch offices with their non-policy writing agents, because again experience is demonstrating that the cost is too great."

Continental Quits Arkansas Town

The Continental has returned to all its policyholders in Arkansas City, Ark., their unearned premiums, thereby cancelling all its policies on property there. This is the result of a continual decline in real estate values there since the 1927 flood, it was explained. The company had most of the insurance business there a few years ago, but since the flood it has been reluctant to issue new policies.

Agents Held Not Liable for Solvency of Insurer

MILWAUKEE, April 19.—Maintaining that an insurance policy is a contract exclusively between the insurer and the insured, and that the broker and the agent are merely intermediaries between the two contracting parties, the Milwaukee Board of Fire Underwriters at its April meeting passed a resolution setting forth that there is in fact no responsibility in law or equity on behalf of the agent or broker for the continuing solvency of any insurer. The entire obligation rests upon the insurer, the resolution states, and continues:

"Whereas, the assumption of any responsibility on behalf of any member inevitably affects the interests of other members, the Milwaukee Board declares that such an assumption is in violation of principle and a valuable consideration for business contrary to state law and the standards and rules and regulations of the Milwaukee Board. No member is warranted in assuming any responsibility or obligation for the payment of any premium, return premium or other obligation due from any insurer in the hands of a conservator, receiver or otherwise in suspension."

An agent or broker is permitted to accept the insured's power of attorney or assignment of interest in unearned premiums for the purpose of filing a consolidated claim against the insurer, under the resolution, according to B. A. Lehnberg, president of the Milwaukee Board, but it shall be a violation of board rules for an agent or broker to pay or allow credit for such an assignment.

THE WEEK IN INSURANCE

Court decision in *Globe & Rutgers* case is expected within a few days. **Page 1**

That a change will be made in the basis of valuation of securities is held to be a foregone conclusion, the speculation concerning only the nature of the change. **Page 1**

Some of the interesting features of the annual meeting of the Western Underwriters Association are presented. **Page 1**

H. C. Wilbur of Chicago, in his talk before the Cincinnati agents, emphasized the buying power of men in the insurance business. **Page 3**

Reform of small loss adjustments is recommended by C. R. Street in report to Western Underwriters Association. **Page 3**

Percy Goodwin, in report intended for Louisville meeting, states adjustment of many agency problems must be deferred until big economic issues are settled. **Page 2**

National Board reports big decrease in losses for March. **Page 4**

Fire and marine premiums of New York state are given by the New York department. **Page 16**

New automobile salvage plan is put into operation in Chicago. **Page 2**

Frank L. Stabler, former assistant United States manager of the Svea, becomes special agent for Corroon & Reynolds in Kentucky and Tennessee. **Page 6**

F. E. Potter, state agent of the Home in Louisiana, becomes assistant general auditor at the head office. **Page 6**

The official liquidation act of Illinois is upheld by the appellate court. **Page 8**

Principles of the compensation rate program for 1933 are agreed upon by the rates committee of the National Council, the stock and nonstock companies getting together so that only one set of rates will be advanced. **Page 21**

Agents and brokers believe casualty and surety companies have restricted rules governing acceptance of risks too far, creating sales difficulties and public antagonism. **Page 23**

Secretary Bennett of National Association of Insurance Agents urges that in revision of banking laws by Congress, banks should be prohibited from engaging in insurance. **Page 21**

Capital of the Bankers Indemnity is being reduced by \$300,000 and the American of Newark, in addition, is contributing \$500,000 to surplus of the Bankers. **Page 28**

Northern Casualty Underwriters, a Chicago reciprocal, has been referred to the attorney general for action. **Page 23**

Seeking Nation Wide Authority

Insurance Commissioners Hope to
Get Some Uniformity of
Action

CHIEF POINT OF ISSUE

New York Regulations Will Be Used
as Basis for Defining Marine
Powers

NEW YORK, April 19.—That so many state legislatures have adjourned without enacting any new laws interpreting or defining the powers of ocean and inland marine companies is regarded as indicating that there is little danger of any action being taken on this subject by those still in session.

Any such action might seriously disturb the chances of the insurance commissioners' getting together on a uniform, nation-wide interpretation of these powers, which it is hoped will be adopted at their Chicago meeting June 1-3. Superintendent Van Schaick of New York, chairman of the National Convention of Insurance Commissioners' special marine committee, asked the other commissioners not to take any action on marine writing powers until the committee had submitted its proposal. This request, together with the fact that legislatures have been swamped with measures dealing with more vital matters of public interest, has resulted in an absence of legislation on the subject.

New York Regulations as Basis

The New York regulations promulgated by Mr. Van Schaick last fall will undoubtedly form the basis of the committee's proposal, for these rulings were the result of more than two years of research, involving some 55 hearings. Since no other state has gone into the subject with the thoroughness that New York has, whatever proposal is made by the committee would lose much of its effectiveness if it should be amended in an effort to conciliate divergent opinions.

It is believed that there will be a genuine effort by commissioners and the fire, casualty and marine companies to get together on a set of interpretations which will settle the question and remove the confusion which forces companies to accept a line which they doubt is rightfully in their province because they fear that some other company in their own field will do it if they don't.

There has been a decided change in the atmosphere among all three classes of carriers in the last few months. Suspicion that the other side was working solely for its selfish interest has given way to better understanding.

Chief Point of Conflict

Between the marine and fire companies the chief point of conflict has been the insuring of import and export goods in warehouses. It has been difficult to determine upon a wording which would prevent possible abuses of this cover and yet not hamper marine companies in the legitimate underwriting of this business. While marine companies do not want to cover these risks longer than they should legitimately be allowed to, neither do they wish to be limited to 30 days or even 90 days, for sometimes there is a bona fide need of coverage for a longer period, and the accounting expense that would be involved in the determining of the definite lengths of time

(CONTINUED ON PAGE 19)

Buying Power of Insurance Is Stressed as Important

Harry Curran Wilbur of Chicago, public relations counsel of the National Board, in his address before the Cincinnati Fire Underwriters Association emphasized the contribution of stock fire companies to the financial stability of the state and the nation not only by reason of their insuring services but also by reason of their investments in many forms of mortgages, bonds and stocks. For instance, Mr. Wilbur said that New York stock fire companies alone had invested \$1,745,250 in Ohio utilities. The total investments of New York companies alone in Ohio industrial securities he gave as \$2,494,400. Investments of the New York companies in municipal and public works bonds in Ohio reached \$451,000.

On the subject of rates, Mr. Wilbur said: "In 1929, the last of the boom years, the average rate per \$100 of fire insurance charged by the stock fire companies was 80.08 cents, a rate approximately 33 1/2 percent below the pre-war figure. In 1930 that average rate had fallen to 76.91 cents, and for 1931 the average rate had reached a new low, 73.29 cents. These figures are in themselves sufficient evidence that there has been no effort on the part of stock fire insurance companies to mulct their policyholders and it testifies again to the efficiency of the company management."

Tribute to Cincinnati Stability

The speaker paid a tribute to the stability of Cincinnati citizens, pointing out that in January, 1933, 319 mortgages, totaling \$1,212,000 in value, were registered in the city. In the same month, 589 mortgages for a total of \$1,923,000 were discharged. He emphasized that the 277 building and loan associations in Cincinnati with assets of \$174,000,000 were now able to operate and remain financially sound by reason of the securities furnished by stock fire insurance companies.

The Louisville Board as well as the Los Angeles Board have made surveys to determine the buying power of the insurance business in those two communities. Mr. Wilbur urged that the Cincinnati Fire Underwriters' Association make a similar survey so that local figures might be available to show the buying power of the insurance business in its city. This buying power is a most effective leverage, he maintained, for obtaining the insurance of the business men of the community.

National Survey Is Made

For the nation, he cited the survey made by the U. S. Chamber of Commerce to determine the number of people engaged in the insurance business and their buying power. A conservative conclusion, as a result of that survey, is that 451,000 people are directly engaged in the business of fire insurance and taking a minimum figure of \$1,000 a year for individual expenditures, then the total spending of this group in the nation, amounts to \$451,000,000 a year. The minimum saving power of this group on a basis of \$100 per year per individual aggregates \$45,000,000 a year. The Louisville survey showed 143 agents, 375 solicitors and 244 other employees directly engaged in the business of stock fire insurance. This group was spending \$1,100,000 per year.

In Los Angeles where there are 237 agent-members of the Los Angeles Fire Insurance Exchange, the business employs a total of 1,200 men and women and an additional 3,000 men and women are wholly or partially dependent on the business of members of the exchange. The agents are paying an annual rental of \$420,000 and salaries of \$2,880,000 or a total of \$3,300,000 spent in Los Angeles by this business.

Haid, S. B. Black Headliners at U. S. Chamber Conference

Paul L. Haid, president Insurance Executives Association, will lead the discussion on "New Developments in Fire Insurance" and S. Bruce Black, president Liberty Mutual, will lead the discussion on "Recent Experience in Casualty Insurance" at the insurance round table conference to be held at the annual meeting of the Chamber of Commerce of the United States at Washington, May 2-5.

George D. Markham, well known local agent of St. Louis, will preside at the round table as chairman of the chamber's insurance committee.

At a luncheon, May 2, the winners in the 1932 inter-chamber fire waste contest and inter-chamber health conservation contest will be presented with awards.

The winner in group 1 (500,000 population and over) in the health conservation contest is Detroit; group 2 (250,000-500,000) Cincinnati; group 3 (100,000-250,000) Syracuse and New Haven, Conn.; (tied); group 4, (50,000-100,000) East Orange, N. J.; group 5 (20,000-50,000) Brookline, Mass.; group 6, (under 20,000) Lodi, Cal.

Other cities to get honorable mention were Milwaukee, Chicago, Baltimore, Pittsburgh, Buffalo, Rochester, N. Y., Newark, Toledo, Minneapolis, Dallas, Peoria, Ill., Hartford, Grand Rapids, Mich., Reading, Pa., Yonkers, N. Y., Evanston, Ill., Pasadena, Cal., Schenectady, Pittsfield, Mass., Charleston, S. C., Lincoln, Neb., Santa Barbara, Cal., West Hartford, Conn., Newberg, N. Y., Watertown, N. Y., Santa Ana, Cal., Chestertown, Md., Shorewood, Wis., Palo Alto, Cal., La Salle, Ill., and Peru, Ill.

Entertainment Plans Laid for Commissioners Meeting

A. V. Gruhn and other officials of the American Mutual Alliance are taking the initiative in arranging entertainment features for those attending the annual meeting of the National Convention of Insurance Commissioners in Chicago June 1-3. Mr. Gruhn is eager to get the names of all those who plan to attend the meeting. He may be reached at 230 North Michigan avenue, Chicago.

According to present plans, the convention crowd will be taken to the world fair grounds the afternoon of June 1 and that evening the American Mutual Alliance will be host at a dinner at the Old Heidelberg restaurant on the world fair grounds. The plan is not to have a lengthy dinner session, but to cut it short, so that the guests may witness the evening's activities at the fair.

Entertainment plans will also be arranged for the other days during the convention, as soon as Mr. Gruhn finds what the business program of the convention will be. A committee probably will be set up to provide entertainment for the ladies during the business sessions of the convention.

Hail Insurance for Florists

The Florists Hail Association of Saddle River, N. J., whose principal office is in Edwardsville, Ill., is making application to operate in Illinois. It writes hail insurance for florists.

Named by North British

The Havana office of Johnson & Higgins, has been given the general agency in that city for the North British & Mercantile.

Reform in Small Loss Field Urged

Business-Like Procedure Advocated by C. R. Street in
W. U. A. Report

HITS AGENCY ADJUSTER

Greater Use of Field Men in Loss Problems Is Recommended by Great American Official

C. R. Street, chairman of the committee on cooperation in loss adjustments, stated in his report at the annual meeting of the Western Underwriters Association that the cooperation of the companies in big losses has been gratifying. The unexpected unanimity of sentiment in connection with the postponement of loss payments has been encouraging, he said. This move on the whole was well received by agents and little objection was registered from responsible claimants. The greatest objection, he said, came from agents who are not close observers of the 45-day balance rule.

Mr. Street said that 85 percent of the loss items are for claims under \$100, this being the experience reported by the Cook County Loss Adjustment Bureau. Thousands of these small claims are referred to agents for settlement, he pointed out. Nine out of ten loss transactions, he said, refer to small claims.

Business-Like Procedure

Mr. Street recalled that the association had already forbidden payment of adjustment expenses to agencies in towns where a company owned adjustment organization has offices. This is a business-like procedure, he said, and avoids competitive adjustments.

The Western Adjustment, according to Mr. Street, has 86 offices and can give prompt attention to small losses as well as the larger ones.

Many of the smaller losses result from carelessness in the use of cigarettes, he said. Cigarette losses were 25 percent in number of the losses handled by the Cook County Loss Adjustment Bureau. He also mentioned that small losses arising from the use of electrical appliances are frequent.

The desire of agents to handle losses continues to be noticeable at a limited number of points, Mr. Street said. He told of a number of unsatisfactory and irregular adjustments that had happened in various places, where agents have done the work.

Experience in Oklahoma

In Oklahoma, one company, he said, had all its claims for several years re-investigated. These claims had been settled by an agency. It was found that the adjusters had permitted parties other than the claimant to sign proofs and had in their notarial capacity, certified to the correctness of the signatures, including the purported signature of a dead man. Losses had been adjusted to cover the amount of unpaid premium due the agent. Excessive allowances had been regularly made and there had been payments where no actual damage had occurred. The company secured reimbursement for all these irregular claims and the agency confessed its insolvency a month later. Adjusters need to be selected, to be men of character and need to be watched, he said.

Mr. Street mentioned that annoying claims under windstorm policies are frequent. For instance, claims are filed when a door slams in a gentle breeze or a garage door twists itself off the

(CONTINUED ON PAGE 20)



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March Losses in Big Drop, National Board Estimates

FAR BELOW MARCH LAST YEAR

Many Officials Credit Improvement to
Invocation of the 60-Day Loss
Payment Clause

NEW YORK, April 19.—Fire losses show a decided drop for March as compared with March, 1932, according to the National Board estimate. The estimated loss of \$35,321,248 for last March, as compared with \$49,189,124 in 1932, is a reduction of 28.19 percent and is also lower by 14.43 percent than the figure for any other March since 1929. In that year losses were \$41,277,814; in 1930, \$42,964,392; 1931 \$44,074,362; 1932 \$49,189,124; 1933 \$35,321,248.

March fire losses in the past two years have been higher than the February losses, but this year were 3.66 percent less, despite the fact that February was a 28-day month. It is expected that April will show even better results.

Cause and Effect

Significant of this reduction in losses is the fact that the 60-day waiting period of the fire companies was inaugurated during March. When the National Board companies suggested withholding payment of all claims over \$100 for a period of 60 days, it was well known to all that one of the purposes was to make it plain to would-be incendiaries that all loss claims are to be thoroughly investigated before payment is made. If the rule were applied only in doubtful cases the benefit of the warning would be lost.

Honest policyholders and claimants are not seriously inconvenienced by the rule as the period begins the day the loss claim is accepted by the company adjuster and includes whatever time is required by the company to determine the claim. Moreover, honest policyholders are vitally interested in the losses since obviously premiums must be sufficient to cover the losses and expenses.

The laws in some states prohibit the payment by a company before 45 days have elapsed following receipt of claim, and the fire marshal of one state where the losses last year were more than 50 percent incendiary welcomes the 60-day rule being convinced that such delay will eliminate many incendiary fires.

Behrens Banquet Speaker at Illinois Agents Parley

Herman A. Behrens, president of the Continental Casualty, will be the principal speaker at the banquet in Springfield, Ill., Thursday of this week in honor of Superintendent Palmer, concluding a day devoted to sessions of the Illinois Association of Insurance Agents and Insurance Federation of Illinois.

In the morning, the agent's association will hear the report of President Rockwood Hosmer, National Councillor R. W. Troxell, Secretary S. E. Moisant, J. M. Newberger, chairman of budget and finance committee, and an address by Allan I. Wolff, chairman of the executive committee of the National Association of Insurance Agents.

Insurance Federation Meeting

The morning meeting of the agents' association will be followed by the annual meeting of the Insurance Federation. President F. M. Chandler and Secretary E. M. Ackerman will give their report. New officers will be elected. In the afternoon, the agents will hold an open session and the speakers will be John J. Hall, director of street and highway safety National Bureau of Casualty & Surety Underwriters; H. H. Rolfe, Chicago claim manager for the Globe Indemnity, who

Faith, Courage and Purpose Tuttle's Formula for 1933

COUNTRY, BUSINESS SOUND

Western Manager of North America in
Inspirational Message Before
Field Club

This country and its future are safe and fire insurance is sound, C. R. Tuttle, western manager North America, told the Cook County Field Club at the April meeting. He exhorted the field men to have courage, to develop mental poise without any fear, to avoid gossip about competitors. He said if field men cannot commend a company they should not condemn it. Fire insurance is only one of many businesses which have been disturbed. Yet he said in the immortal words of the late Henry Evans of the America Fore fleet, fire insurance has sold indemnity and "delivered the goods undamaged."

Mr. Tuttle urged field men to build a reputation for integrity, to be persevering and shoot straight for the mark. They must have objective and a purpose.

The fire insurance business has been a success and will continue so as long as those in it hold to high standards, he said. He urged the field men to become more efficient in the principles of underwriting and not to give all their thought to premium production. He asked if they had builded on an insurance foundation that is solid.

He said the theory of some insurance officials is that the real field men in fire insurance passed with the turn of the century, yet he is not prepared to adopt that hypothesis. He said possibly the old field man was more thoroughgoing than the modern man, yet he said field men today are finding their parking place. In the so-called "punk risk" work, which is an outstanding feature of the field club, he said they are developing a valuable function.

Mr. Tuttle commented on the intense competition in Chicago territory, which he said is outstanding in that respect. Excess commissions have drawn the greatest attention, but he said there are many ways of dealing unfairly in fire insurance other than that method.

Mr. Tuttle urged on the field men as their duty attendance and participation in the inspection of Harvey, Ill., May 18, for which plans were outlined. The field club also plans its annual field day in June, the date to be determined later.

Testimonial for Gauss

DETROIT, April 19.—A testimonial dinner to the new Michigan commissioner, C. E. Gauss, was given tonight, the hosts being the Michigan companies which have their home offices in Detroit. Governor Comstock was present, as was C. D. Livingston, Mr. Gauss' predecessor and now president of the Lloyds of America.

will discuss the occupational diseases. Hamilton Loeb will conduct an open forum on current legislation.

C. M. Cartwright of THE NATIONAL UNDERWRITER, will be toastmaster at the banquet.

The nominating committee, headed by W. W. Steiner, recommends the reelection of Frank M. Chandler of Jones & Whitlock as president of the Insurance Federation; W. O. Schilling, United States Fidelity & Guaranty, for first vice-president; and the following for vice-presidents: C. H. Burras, president Joyce & Co.; Isaac Miller Hamilton, president Federal Life; Rockwood Hosmer, R. W. Hosmer & Co.; L. J. Kempf, manager Travelers; John C. Lanphier, Jr., of Lanphier & Co., Springfield; Frank P. Lavin, director Insurance Brokers Association of Illinois, and W. P. Robertson, assistant to the president North America companies.

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NEWS OF FIELD MEN

Potter Goes to Head Office

State Agent of Home in Louisiana Has Been Appointed Assistant General Auditor

F. E. Potter, state agent of the Home of New York in Louisiana, has been made assistant general auditor and will go to the home office. He will assist R. F. Van Vranken, secretary and general adjuster. H. B. Edwards, state agent of the Southern Fire and assistant to Mr. Potter, will take over the latter's duties and continue supervision of the Southern Fire. Mr. Potter started with the Home in the field in Minnesota in September, 1920. He was transferred to the improved risk department, working out of the Chicago office until 1923, when he returned to Mississippi. In November, 1928, he was transferred to Louisiana as state agent succeeding E. H. Addington. Mr. Edwards in 1917 was state agent for the Automobile. He spent two years in the southern department at Atlanta. He joined the Southern Fire Dec. 1, 1929.

Montana Blue Goose, Field Club in Session at Butte

BUTTE, MONT., April 19.—The semi-annual meeting of the Montana Special Agents Association and the annual meeting of the Montana Blue Goose were held here Saturday with about 43 in attendance.

W. E. Rae of Havre, president, presided at the Montana Special Agents Association meeting. Addresses were made by H. F. Badger of San Francisco, secretary Pacific Board; Commissioner John J. Holmes of Montana and J. W. Mountjoy, state fire marshal. Commissioner Holmes explained the changes in the insurance laws made by the 1933 legislature.

F. J. Sullivan of Butte, deputy most loyal grand gander for eastern Washington, Montana, Idaho and Utah, represented the grand nest at the Blue Goose meeting, when a number of goslings were initiated. Several visiting ganders from Washington, Utah and Idaho were on hand.

Heart of America Election

KANSAS CITY, MO., April 19.—George Fagan, Great American, was elected most loyal gander of the Heart of America Blue Goose at its annual meeting. T. O. Nuckles, Queen, was named supervisor; Robert Hauck, North British, custodian; R. M. Wilcox, Crum & Forster, guardian; O. A. Ramseyer, North America, welder, and Fenton Hume, keeper.

C. W. Bean, America Fore, and Mr. Ramseyer were named as delegates to the grand nest meeting.

T. Ray Phillips, grand guardian, C. P. Helliwell, grand welder, and M. K. Nelson, deputy most loyal grand gander represented the grand nest.

Field Groups Honor Thompson

DENVER, April 19.—About 50 members of the Mountain Field Club and Colorado Blue Goose gathered at a dinner here to honor T. B. Thompson, former treasurer of the Braerton, Simonson, Brown general agency, who resigned to return to the field with the North British & Mercantile as state agent at Portland, Ore. Clarence Cobb was toastmaster. Speakers included Richard White, Fred Lanagan, H. C. Stebbins, L. H. Simonson, A. P. Miller, Howard Reynolds and Carl V. Rutledge. A handsome Gladstone traveling bag was presented to Mr. Thompson.

Stabler Takes Two States

Former Assistant Manager of the Svea to Serve the Corroon & Reynolds Companies

Frank L. Stabler, who was formerly assistant United States manager of the Svea, has gone to Louisville for Corroon & Reynolds, establishing an office in the Starks building and will handle their companies in Kentucky and Tennessee, being available for special missions elsewhere. He entered the business in a bank agency in Nebraska and later became examiner and then chief clerk in the western department of the North British & Mercantile at Chicago. He served as state agent in Minnesota and later in Indiana. Then he was called to the head office to become general agent for the central department. He went with the Svea about 11 years ago as assistant manager. He has had wide experience.

Long Heads Virginia Club

G. Gordon Long, Virginia state agent for the Aetna, is the new president of the Fire Insurance Field Club of Virginia, being advanced from vice-president at the annual meeting at Virginia Beach last week. H. C. Taylor, Home of New York, succeeds him as vice-president. W. A. Jordan, Royal, was elected secretary, and A. C. Word of the L. E. English general agency, reelected treasurer.

A number of agencies heretofore representing mutuals were reported as now cleared. The new balance rules were adopted. Discussion indicated that companies generally are observing the 60-day basis of loss settlement.

In the golf tournament H. F. Thompson, English general agency, carried off first honors with a low gross of 70. Mr. Long was a close second with 71.

Pennsylvania Field Meeting

HARRISBURG, April 19.—Officers chosen for the Pennsylvania Field Club at the annual meeting here are: President, Alfred Lewis, Home; vice-president, E. T. Mason, Hartford Fire; secretary, E. G. Wickham, Great American; treasurer, J. E. Williamson, National of Hartford.

Smoke and Cinder Club Meeting

The Smoke & Cinder Club of western Pennsylvania held a meeting last week in Pittsburgh, there being 65 present. The entire evening was given over to old timers. Some of the "old timers" who participated were A. F. Sanford, J. A. Hetrick, Smith Wilson, A. K. Black and F. W. Sippell. Vocal solos were rendered by W. E. Briggs and G. S. Petrik. Fred A. Ulam, past president of the club, wrote a poem entitled "Greeting to Old Timers," which he read.

Farewell for C. N. Homer

Some 60 members of the Seattle Blue Goose and Special Agents Association of the Pacific Northwest attended a farewell party in Seattle for Carl N. Homer, past president, who goes to San Francisco as manager for Travelers Fire. An oil painting of Mount Rainier was presented to Mr. Homer by W. H. Marks on behalf of his many insurance friends in the Pacific northwest.

Miller's Territory Extended

Virginia has been added to the territory of the Union of Paris supervised by Louis T. Miller, state agent, with headquarters at 541 Trust Company of Georgia building, Atlanta. Other states under his supervision are Alabama,

Georgia, Florida and South Carolina. He has also been given supervision over Georgia, Alabama and South Carolina for the Manhattan Fire and Marine, running mate of the Union.

T. S. Spengler

T. S. Spengler has resigned as special agent of the North America in Mississippi. The company has not announced a successor. For the present its business will be handled from New Orleans and Memphis.

L. S. Harvey, A. V. McKowen, Jr.

L. S. Harvey of Augusta, Me., special agent of the New Hampshire Fire in Maine and New Hampshire, has been made general agent and A. V. McKowen, Jr., is appointed special agent to cooperate with Mr. Harvey. Mr. McKowen was for nine years in the home office of the Granite State and has been in field work for two years.

Newton Minneapolis Speaker

Walter H. Newton, former secretary to President Hoover, addressed the Minnesota Blue Goose in Minneapolis on reminiscences of his days in the White House.

James R. Tober

James R. Tober of St. Louis has resigned as marine department state agent for the North America companies.

C. E. Pate

The Commercial Union group has appointed C. E. Pate as special agent to assist G. T. Mielke in the Illinois field.

Dr. F. F. Parker, head of a Des Moines animal hospital, addressed the Iowa Blue Goose April 17.

Fred B. Humphrey's Change

Spectator's Vice President Takes Management of The National Underwriter in the Southwest

Fred B. Humphrey has resigned as vice-president of the Spectator Company to become southwestern manager of THE NATIONAL UNDERWRITER succeeding R. J. McGehean. Mr. Humphrey will make headquarters at 1514 Kirby building in Dallas.

Mr. Humphrey is one of the most widely known business producers in the ranks of insurance papers. He began with "Rough Notes" in 1909 when Dr. H. C. Martin was the editor. For many years Mr. Humphrey was the only traveling man on the road for "Rough Notes."

In 1916 he went with the "Spectator" and for that publication traveled in the south, middle west and made periodical trips to the Pacific Coast. Mr. Humphrey has an extensive acquaintance among home office officials throughout the country.

Dubach Succeeds Maring as K. C. Executive Secretary

KANSAS CITY, MO., April 19.—M. K. Dubach, with the Standard Accident for eight years in various capacities, has been named executive secretary of the Insurance Agents' Association of Kansas City and of the Casualty & Surety Executives Association of Greater Kansas City. He succeeds W. F. Maring, Jr., who resigned April 1.

Mr. Dubach was with the Standard in New York, Baltimore, Oshkosh and for five years in Detroit. He was assistant manager of the bonding department at Detroit.

Last year, Mr. Dubach and his brother, K. M. Dubach, purchased the L. J. Baer agency here. The brother, formerly a field man in Ohio, continues to operate the agency.

Expect Decision on G. & R. Shortly

(CONTINUED FROM PAGE 1)

with the preferred stock offered policyholders and creditors. Holders of prior preferred stock would have the right to elect one-third of the directors. If requested by the R. F. C. a sinking fund for the benefit of prior preferred creditors would be created. Preferred stock so far as rights to assets and dividends were concerned, would be subject to prior preferred stock but preferred as to common stock. Its holders, too, would be privileged to elect one-third the board membership.

Should the superintendent of insurance and the court fail to approve the rehabilitation program even though endorsed by creditors, the committee will request that a segregation of assets of the company be made and "a portion of the assets equal to the proportion of the claims of the policyholders and creditors who have become parties to the plan be turned over to the committee or its nominee, and be liquidated under the supervision of the committee." The rehabilitation plan may be declared operative subject to the approval of the superintendent of insurance and the court, any time prior to June 15.

Financial Statement

Accompanying its plan the committee attaches a statement estimating the financial condition of the Globe & Rutgers as on March 21 to be: assets, \$30,854,832; liabilities, \$37,038,000, which latter aggregate includes reinsurance reserve of \$17,500,000; outstanding losses, \$7,600,000; borrowed money, \$11,311,000, and commissions and taxes \$625,000. The statement "does not include reinsurance of the Canadian business of the company which was paid for out of its deposit in that country, nor the reinsurance of the risks of the Stuyvesant, both of which transactions reduced the reinsurance reserve by at least 40 percent more than the assets used to effect such reinsurance."

The alternative to acceptance of the program as the committee sees it, will be liquidation of the company by the department "over a considerable period, so that whatever amount the policyholders and creditors finally receive, there will almost certainly be great delay before any substantial payments are made, and the amount payable upon liquidation will not include any item representing the value of the company's going business and agency relationships, which value will be finally and irrevocably lost."

Creditors of the company met here Monday and listened to arguments advanced by the committee; the reception of the proposal being rather "lukewarm" as one person present expressed it.

When news got out of the reinsurance (CONTINUED ON LAST PAGE)

Frank Heads Examiners

Arthur Frank, Newark Fire, was elected president of the Fire Insurance Examiners Association of New York at the final dinner meeting of the season Tuesday evening. J. A. Neilan, Norwich Union, is the new vice-president; C. L. Nordsiek, National Liberty, secretary; F. J. Reider, Pacific Fire, recording secretary, and A. F. Kuzelka, Commercial Union, treasurer.

A. G. Whitelaw, general adjuster for the Commercial Union, was speaker of the evening. He discussed some recent decisions of interest to the underwriter.

William Kurz of the Home was chairman of the nominating committee.

Richardson Appointed

The National Security of Omaha has appointed F. F. Richardson of New York City general agent for suburban territory.

The Fire Association has declared a dividend of \$1 on its new stock, payable May 15 to stockholders of record April 29.

NEWS OF THE COMPANIES

Some Corrections Are Made Adjourned Meeting April 24

Errors Shown in Certain Figures in the Recently Promulgated Argus Fire Chart

Eureka-Security Fire & Marine.—On page 34 of the 1933 Argus Fire Chart the 1932 figures show \$85,000 dividends paid. This figure is incorrect as the company paid no dividends in 1932.

Royal-Liverpool & London & Globe Group.—The figures shown for 1932 for the American & Foreign on page 6 of the 1933 Argus Fire Chart are as reported to the Massachusetts department. The figures reported to the New York department and which differ from the Massachusetts report are as follows: Liabilities except capital, \$2,533,529; surplus to policyholders, \$3,375,105; surplus less capital, \$1,875,105; premiums earned, \$1,521,764; losses incurred including adjustment expenses, \$675,531.

In the underwriting and investment exhibit on page 122 the gain from investments of \$168,076 shown for the Federal Union is actually the gain from underwriting and investments. The gain from investments only is \$85,839.

On page 145 in the table of insurance groups the total premiums for the Liverpool & London & Globe group should be \$11,052,650 instead of \$2,773,848. The figure shown in this table does not include the premiums of the Liverpool & London & Globe, which in 1932 were \$8,278,802, as shown on page 39 of the 1933 Argus Fire Chart, inadvertently omitted in the group table.

Orient.—On page 57 of the 1933 Argus Fire Chart the figures of the Orient do not show the 1932 contingency reserve. The "(h)" on "Total Liabilities Except Capital" for 1931 should also appear on the 1932 figure, indicating the footnote which should read "Includes: 1931, \$956,654 security depreciation reserve; 1932, \$755,597 contingency reserve."

Safeguard.—On page 67 of the 1933 Argus Fire Chart a typographical error appears in the footnote "(f)" applying to the figures of the Safeguard of New York. The year date 1923 should be 1932, making the footnote read: "Includes security depreciation reserve: 1931, \$300,370; 1932, \$228,423."

Franklin National.—On page 28 of the 1933 Argus Chart a typographical error appears in the 1932 figure for premiums earned. The correct figure is \$577,499. On page 122 the gain from investments shown for this company should be \$115,662 instead of \$239,030.

General of Seattle Reaches Tin Wedding Anniversary

The General of Seattle will celebrate its tenth anniversary during May. It has inaugurated a "tin wedding anniversary" which will start May 1 and last during the month. Tin wedding labels have been sent to the agents. Associated with the General are the First National and General Casualty.

O. M. Thurber, formerly associated with the Glen Cove Mutual of Glen Cove, L. I., has now taken his new position as head of the public relations department of the General group. Mr. Thurber is a brother of H. P. Thurber of Chatfield, Minn., general agent of the Seattle group. Mr. Thurber was in charge of the public relations for the hardware mutuals with headquarters at Minneapolis for a number of years. For the nonce Mr. Thurber will work Washington, Oregon and Idaho.

Election in Fire of Chicago Excites Interest Pending Decision in Liquidation Suit

The annual meeting of the Fire Company of Chicago, which was held March 27 and was adjourned without election of officers or other than routine reports,

has been called for April 24. Some 75 stockholders attended the March 27 meeting. The policyholders' protective committee, of which A. E. Reid is secretary, was well represented and was said to have had proxies on more than 3,000 shares.

The suit of the committee against the company and its officers for an accounting and liquidation, which ran on and on in federal court at Chicago for many weeks, piling up some 3,000 pages of testimony, remains undecided. It is now in the hands of Federal Master Jacob Grossman. A lengthy brief was filed in behalf of the company after testimony was heard and the protective committee

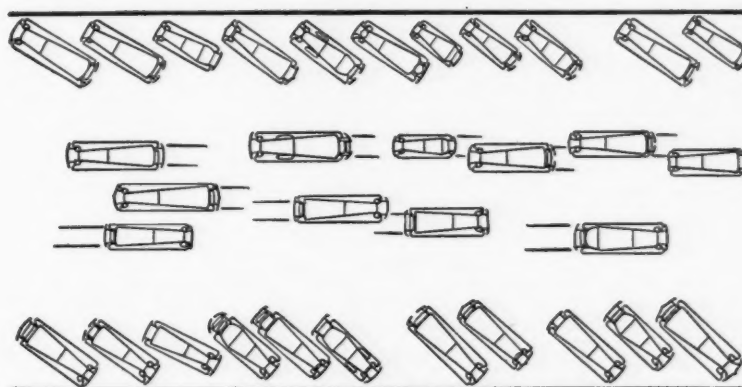
filed an answer brief disclosing a number of faulty law citations and other errors. The company's counsel begged leave to file an amended answer which is being awaited. A contest to prevent reelection of the old officers is expected at the annual meeting.

Company News Notes

The **Franklin Fire** has declared its regular quarterly dividend of 25 cents a share, payable May 1 to stockholders of record April 29.

The Ohio department has filed suit asking for authority to liquidate the **Montgomery County Mutual Fire** of Dayton. It is charged that the company is insolvent. It is understood that the action will be contested.

HOW MANY CARS IN YOUR COMMUNITY?



How many are you insuring?

Economy days . . .

. . . days when people can't afford as many new cars . . .

. . . days when the loss of a car means terrific hardship—perhaps the complete loss of personal transportation.

. . . days when adequate Automobile Insurance is imperative!

In your community—regardless of its size—there are a good many automobile owners who may be considering the advisability of getting along without insurance. Among those people you have a distinct duty to point out that such action is *false economy*.

And among those people lie your best prospects for complete automobile coverage. The more difficult it would be, financially, for a man to replace his car—the more he should

rely on insurance. Fire Insurance and Property Damage are basic protection. Theft Insurance, sold in connection with Fire coverage, is equally important. And Collision is more important than ever. These policies are vital to protect existing values. This is no time to gamble—particularly in the face of increasing compulsory insurance laws.

Old cars—old brakes—old horns—old lights—hazards to every motorist . . . the owner or the "other fellow." And at the same time, the higher speeds of new models create additional dangers to every driver.

Hold your customers in line. Be sure they are fully covered. And present to your prospects the sound economic reasons why Automobile Insurance is more important than ever. You'll gain their respect . . . and profit accordingly.

Agricultural
Insurance Company
of Watertown, N.Y.

Empire State
Insurance Company
of Watertown, N.Y.

offering all types of property insurance for industry or the home.

AS SEEN FROM CHICAGO

LIQUIDATION ACT UPHELD

The insurance liquidation act of Illinois has been upheld by the appellate court in connection with a suit brought over the receivership of the Old Colony Life, the appellant being Theresa Stengel, a policyholder. Under this law, insolvent insurance companies of Illinois are liquidated by the official state liquidator. The attorney general files a petition for a receiver and the naming of that offi-

cial is left with the director of trade and commerce. Attorney G. D. Kimball of Chicago acting for the Old Colony policyholders, attacked the constitutionality of the act. A plea was made to set aside the award of the business of the Old Colony Life to the Life & Casualty of Chicago. Attorney Kimball claimed that the Illinois Bankers Life bid was more desirable and should have been accepted. The receive-

ers for the Old Colony Life are A. S. Keys of Springfield, who has been manager of the state liquidation department, and J. A. O. Preus of W. A. Alexander & Co. of Chicago. The appointment of Mr. Preus was made to satisfy counsel for the Old Colony Life, who objected to the liquidation of the company by a non-resident. The appellate court upholds the appointment of coreceivers.

The appellate court seemingly ignored many of the points raised by Attorney Kimball as to the constitutionality of the law but gave its attention to the order of the court awarding the business to the Life & Casualty, claiming

that it was the only real objection made by the appellant. The court declares that if the policyholder is not satisfied with the court order she is not obliged to accept the reinsurance offered but may assert her rights as a policyholder in the assets. The appellate court declares that the reinsurance "was for the benefit of policyholders and a step to protect them in the liquidation of the company."

* * *

H. M. BROWN WITH KEMPER

Howard M. Brown, who was formerly treasurer and general manager of the Inter-Insurance Exchange of the Chicago Motor Club, has joined the Lumbermen's Mutual Casualty of Chicago as manager of its automobile department in Chicago. In order to facilitate production, Mr. Brown has been established in quarters in the Civic Opera building, near the loop of Chicago. The head office of the Lumbermen's Mutual Casualty is somewhat removed from the downtown business section.

Mr. Brown is a son-in-law of Charles M. Hays, president of the Chicago Motor Club, and president of the Motor Club Service Corporation, attorney in fact for the club's automobile reciprocal. He is credited with being responsible in a large part for the big production record of the motor club. Since leaving the motor club about a year ago he made a trip around the world.

* * *

MUCH INSURANCE DROPPED

A number of people have dropped their insurance in Chicago and Cook County, according to Cook County field men. Many school teachers and public employees who have not received their salaries regularly have had to drop their insurance. Others that have had their incomes greatly reduced have been compelled to cut their expenses in every direction in order to secure food and lodging. It is estimated that thousands of premium payers in the country have cut off their insurance during the last year and are now taking chances.

* * *

RADCLIFFE WITH KUHN

George H. Radcliffe has been appointed general manager of A. D. Kuhns & Co., Chicago general agency. Mr. Radcliffe was connected with casualty departments of the Travelers branch offices in various middle western cities for a number of years. He was assistant to Arthur Collins, United States manager of the Zurich, for some time and started the casualty branch office in Chicago for the American Surety, becoming superintendent of the New York Casualty branch there. For the last year he has been in the general brokerage business.

* * *

NORTMAN IN LADD OFFICE

Roy Nortman, independent adjuster of Chicago, formerly of the independent adjusting firm of Anderson & Nortman, has taken office space with Arthur L. Ladd & Co., Insurance Exchange, Chicago, and is continuing as an independent. He recently was awarded the Order of the Purple Heart.

* * *

NEW CHICAGO RATES

The new automobile fire, theft and collision rates, rules and premiums for the Chicago territory, including Cook, DuPage and Lake counties, became effective Monday of this week. The territory is divided into three areas, area 1 including Chicago proper, and the townships of Berwyn, Calumet, Cicero, Norwood, Oak Park and Stickney; area No. 2 comprising the townships of Bloom, Bremen, Evanston, Leyden, Lyons, Main, Niles, Orland, Palos, Proviso, Rich, Riverside, Thornton and Worth; area 3 including the townships of Barrington, Elk Grove, Hanover, Lemont, New Trier, Northfield, Palatine, Schaumburg, Wheeling and all of DuPage and Lake counties.

The new theft rates are quoted for policies with the equipment exclusion and 75 percent loss clause attached. The

THE ANNUAL APPEARANCE

Since 1854 of a company's statement is an event awaited with interest by an audience, each year becoming more discriminating. Such an audience knows that though the assets of a company indicate its gross worth, the high spot of the year's performance is arrived at by deducting liabilities from assets thus revealing the net surplus and the basic strength of the organization. This company has passed through the trying economic conditions of 1932 to emerge with a maintained record of dividend payments, total cash assets of \$40,369,401.25 and a net surplus, based on December 31, 1932 market values, of \$16,944,813. The capital of six million dollars has not been disturbed so the surplus to policy-holders is \$22,944,813. ☞ ☞ ☞ ☞ ☞ ☞

Since 1854

THE PHOENIX INSURANCE CO.
OF HARTFORD, CONN.

equipment exclusion clause may be eliminated by increasing the premium 10 percent and the three-fourths loss clause may be removed by increasing the premium 25 percent. The highest theft rate is \$6.80 (exclusive of fire) which applies to Fords and Chryslers in area 1.

The 75 percent loss clause endorsement reads: "It is a part of the consideration of this policy, and the basis upon which the premium is fixed, that in the event of loss or damage caused by theft, robbery and pilferage as defined herein, this company shall not be liable for an amount greater than 75 percent of the actual loss or damage sustained within the coverage of this policy."

The penalty for no garage clause must be attached to all policies. If the clause is not attached, the theft premium shall be one and one-half times the theft premium listed in the manual.

* * *

GEORGE W. LILLY TO SPEAK

President John A. Shea of the Western Loss Association announces that the April meeting will be held Tuesday of next week at the Great Northern hotel in Chicago. The guest of honor will be George W. Lilly of New York City, general manager of the Fire Companies' Adjustment Bureau and former president of the association. He will give an address and it is expected that a number of managers will be present. Executives of adjustment bureaus have also been invited.

The Western Loss Association has for some time been making a thorough investigation of adjustment expense. It is expected that Mr. Lilly will touch on this important matter. Mr. Lilly is highly regarded in the west, where he served for so long as general adjuster in the western department of the American Fore companies.

* * *

REPORT ON COOK COUNTY BUREAU

C. R. Street of the Great American in reporting on the Cook County Loss Adjustment Bureau at the annual meeting of the Western Underwriters Association found that last year it adjusted 25,338 losses for \$7,392,398. This was \$771,000 less than 1931. Mr. Street reported that 5,146 were repeaters, that is, they had had previous losses. He said that the number of losses under \$25 increased 10 percent due largely to cigarette claims. Of these there were 6,203, making a total amount of \$134,857. Mr. Street reported that the bureau was functioning in most satisfactory shape.

* * *

W. I. B. ANNUAL MEETING

The annual meeting of the Western Insurance Bureau will be held at French Lick, Ind., May 17-19.

* * *

CAPITAL TO BE INCREASED

Capital of the Underwriters Salvage Company of Chicago is being increased by \$100,000 through the sale of new stock to present stockholders.

* * *

ROYAL-LIVERPOOL CHANGES

The Chicago offices of the fire and casualty companies in the Royal-Liverpool group are being rearranged in adjacent space, occupying more than two-thirds of the 11th floor in the old portion of the Insurance Exchange. The production departments will remain independent, but there will be consolidations of engineering, claims and other service departments to bring about economies and greater efficiency.

The Globe Indemnity remains in its present space in 1121 Insurance Exchange and the Royal and Liverpool & London & Globe fire companies will occupy space next door in the quarters now occupied exclusively by the L. & L. & G. Then, next door to that space, in the quarters now occupied by the Hartford Steam Boiler, will be quartered the Royal Indemnity and Eagle Indemnity and in adjacent space now occupied by the Royal, the service de-

partment of the various companies in the group will be housed.

The Royal Indemnity has been located in A1857 Insurance Exchange. The Hartford Steam Boiler is moving to 1753 Insurance Exchange, the space formerly occupied by the agency of Munger, Vokoun, Wetmore & Witherbee.

Form Pine Bluff Exchange

PINE BLUFF, ARK., April 19.—Seven agencies here have organized the Pine Bluff Fire & Casualty Exchange. The new organization is headed by G. M. Wells, president; C. S. McNew, Jr., vice-

president, and J. H. Means, secretary-treasurer.

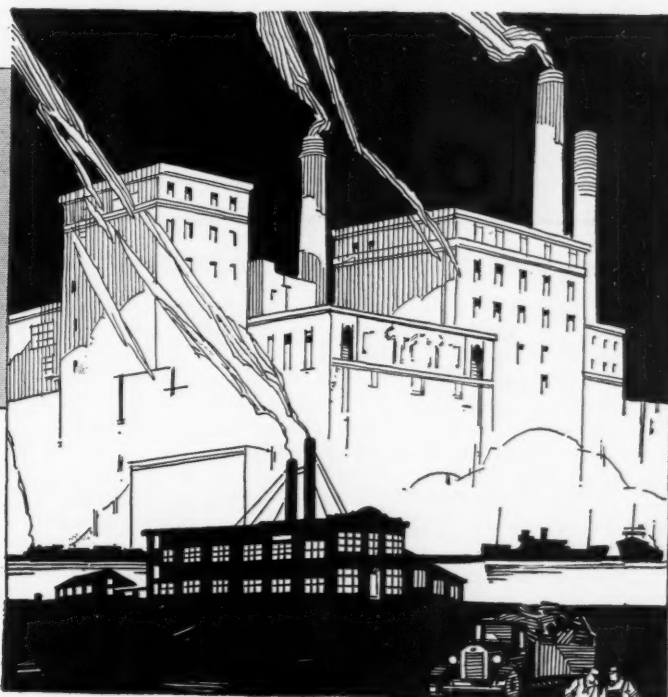
Bad Cleveland Loss Record Is Being Given Attention

The companies are giving much attention to the loss situation in Cleveland. That city is regarded as a sore spot, although conditions there have somewhat improved.

The adjustment conditions there are characterized in some quarters as being disgraceful and strong measures said to be necessary if there is to be any im-

provement. Cleveland was formerly a profitable town, but for many companies the loss ratio has risen to the point where money is being lost there. Adjusters for the assured are active and there is reported to be competitive adjustments in legitimate losses through agency adjusters or adjusters picked by agents.

The Boyce & Ware agency of Gastonia, N. C., has been reorganized and incorporated as **Boyce & Bell**. A. G. Bell, Jr., has purchased the interest of J. W. Ware and is secretary and treasurer of Boyce & Bell. J. S. Boyce is president and H. V. Godbold of Richmond, Va., is vice-president.



Ohio Farmers Insurance Protects Modern Industry

Giant factories and modest shops alike depend on Ohio Farmers insurance for modern protection. Owners recognize the worth of a company that has been in step with the times since 1848.

Industry is different—insurance is different—than it was 85 years ago when the Ohio Farmers was a pioneer in the great Middle West. But today, as then, this company issues protection based on ample resources, integrity and cooperation.

If you want such a company to serve you and your clients in adversity or in prosperous times, it will pay you to write to the home office at LeRoy.

fire
AND
AUTOMOBILE
INSURANCE

OHIO FARMERS
INSURANCE CO., LEROY, O.

THE NATIONAL UNDERWRITER

Published every Thursday

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Should Agents Guarantee Solvency?

SHOULD it be the province of local agents to guarantee the solvency of the insurance companies which they represent? That is a very important question in the minds of those operating agencies these days, especially in view of the collapse of companies. In days gone by insurance failures were few and far between. Agents did not hesitate for the most part to make good the unearned premium and place their customers in other companies. If failures are to continue, local agents may find themselves in an unfortunate plight in endeavoring to restore new insurance without any sacrifice to the assureds. In some cities local boards have passed rules prohibiting members from standing the unearned premium.

Other companies have a concern in this matter. Naturally agents are not finding it an easy matter to meet their balances. It requires about all the ingenuity in collecting that they possess to get in a sufficient sum to meet these obligations. If on top of the hard times and the severe pressure on local agents they are called upon to pay return premiums of failed companies, it will be much more difficult for those companies that remain to get their balances paid. This factor therefore vitally concerns all companies in the agency.

The theory on which an agency op-

erates is that the assured places confidence in the judgment of the office to select the companies. There are very few times when a policyholder makes any requirement as to any particular institution. Now and then this selection is made but it is rarely the case. The local agent therefore does the choosing. That makes him, in a sense, responsible because his knowledge of companies and their reliability is trusted. The assured evidently feels that the local agent is responsible for the companies and looks to him for reimbursement if a company fails. The local agent therefore has assigned to him all rights of his policyholders in the estate. This ties the business to the particular agency. In the smaller cities and towns, if an agent did not assume these obligations his reputation would practically be destroyed.

If, on the other hand, he does not protect his assured and guarantee solvency the assured then might take the selecting of companies on himself and would seek offices that represent in his estimation only stalwart companies of unusual strength. Certainly these questions arising are of high concern to agents. The failure of a company like the **GLOBE & RUTGERS** means a big loss to many offices. But few agents can stand financially the strain of the collapse of a great institution of that character.

Mind Should Be a Workshop

DR. W. A. GRANVILLE of the **WASHINGTON NATIONAL INSURANCE COMPANY** of Chicago says that it is not enough that the mind be a storehouse. It should be a workshop. There is much truth in that bit of epigram. Most of us do not think as

we work. We become mechanical and after a while we are mere automatons. One's thinking apparatus should be in fine fettle, never rusty, always alert and active. The more we think the stronger mentally we become.

Beware of "Puff Sheets"

THE ASSOCIATED BUSINESS PAPERS, an organization of trade newspapers and journals, of which THE NATIONAL UNDERWRITER is a member, sends out a warning to business people, saying that so-called "puff sheets" are exceedingly active at this time, owing to reduction in advertising and other support. The approach is to write up a laudatory article about a man or an institution and then sell

him extra copies of papers in bulk. The bulletin sent out by the **AMERICAN BUSINESS PAPERS** says: "So far as A. B. P. headquarters have learned 'puff sheets' have no new tricks. The same old racket is repeated over and over probably within the law." Usually circulation is meager or non-existent. These papers for the most part live solely on "write ups."

PERSONAL SIDE OF BUSINESS

Mrs. Tarleton Brown, wife of the publisher and editor of the "Insurance Review" of St. Louis, died suddenly early Thursday morning of last week. The funeral was held at Nashville, Tenn., Friday morning.

Allen Shattuck, Juneau, Alaska, local agent, was elected president of the territorial senate at its biennial session. He is head of **Allen Shattuck, Inc.**, the oldest agency in Alaska, established in 1898.

McClure Kelly of San Francisco, coast manager of the North America, and Mrs. Kelly are on an eastern trip. They spent last week at White Sulphur Springs when the Western Underwriters Association was meeting there. From there they went to Philadelphia where Mr. Kelly conferred with the home office. On their return they will visit Kentucky and Texas, where both resided in days gone by.

Secretary **J. C. McKown** of the St. Paul Fire & Marine and Mrs. McKown will leave this week on a trip abroad, visiting England and Scotland.

President **F. R. Bigelow**, who is now on the other side of the water, will not return to the home office until June.

T. Ray Phillips of Oklahoma City, grand guardian of the Blue Goose, went by plane to Kansas City to attend the meeting of the Heart of America pond. Before returning home he will visit Chicago for a few days.

Lafon Riker, Kentucky state agent London Assurance, was married last week to Mrs. Louise Curry of Harrodsburg. They are now on a trip to Washington and other eastern points and will make their home in Harrodsburg.

Charles T. Fertig of Colorado Springs, one of the best known insurance figures in Colorado, died Saturday. He was prominent politically and was appointed by former Governor Shoup as rate adviser in the Colorado department. He began his insurance career in Denver in the office of the late C. D. Cobb, founder of the Cobb & Stebbins general agency, and was once special agent of the Royal. For years he was identified with association companies, but in recent years had represented the General of Seattle.

School children in Wichita, Kan., the other day giggled when **H. K. ("Smoky") Rogers** fell from a step ladder in his fire clown show, but it was not so funny, for x-ray examination disclosed he had received injuries to his spine which necessitated his canceling all remaining engagements that week and will partially disable him for several weeks to come. He suffered an incomplete fracture of a vertebra. True to the traditions of the footlights, he completed the performance and three more shows before pain forced him to quit.

John G. McQuarrie, Utah insurance commissioner for the past eight years, has rejoined the Salt Lake City office of the Kansas City Life, of which he was assistant manager at the time of his appointment as commissioner.

Phil J. Braun of Flint, Mich., former president of the Michigan Association of Insurance Agents, has entered a new field of endeavor and will serve as general chairman in charge of a benefit minstrel show staged by the Flint Kiwanis Club April 24. If the resultant performance justifies his own hopes, Mr. Braun threatens to desert his local agency entirely for the "theatrical racket."

Meyer S. Gerson, 62, prominent Montgomery, Ala., local agent, died there

To Be Reelected



SUMNER RHOADES

Sumner Rhoades, manager of the Eastern Underwriters Association, will be reelected president of the National Fire Protection Association. He is one of the leading men in the organization. The annual meeting will be at Milwaukee starting May 29.

following a lingering illness. He was a pioneer member of the Montgomery Real Estate & Insurance Exchange and had been in the insurance business there for about 20 years.

John C. Lanphier, Jr., head of John C. Lanphier & Co., Springfield, Ill., general agent Travelers and other companies and former president of the Insurance Federation of Illinois, was elected president of the Sangamon club of Springfield, a business and social organization. Mr. Lanphier is a member of the casualty committee of the Illinois Association of Insurance Agents.

Commissioner Senff of Kentucky is the third Kentucky commissioner to come from Mt. Sterling, Ky. The others were Matt C. Clay and H. R. Prewitt.

D. J. Harrigan of Chicago, state agent of the St. Paul Fire & Marine, was called to Newburyport, Mass., on account of the death of his father, who had reached an advanced age.

John R. Hancock, local agent at Dallas, had the interesting experience recently of being accused by an assured of paying so much attention to his wife that he did not concentrate on the problem at hand. Mr. Hancock drove with his wife to East Dallas to make an inspection of property belonging to a widow. The assured talked to him on the porch of her home, apparently not having seen Mr. Hancock step out of the automobile which was parked in the street. While talking to the assured, Mr. Hancock waved to his wife in the car two or three times.

The assured later wrote her daughter who was interested in the property, stating that a man from Mr. Hancock's office came to inspect the property, but was so interested in a lady in an automobile that he did not concentrate on his work. The daughter wrote to the Hancock agency, complaining of this incident and Mr. Hancock's secretary replied that the inspector had been severely reprimanded and that such an occurrence would not happen again.

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FIRE INSURANCE NEWS BY STATES

CENTRAL WESTERN STATES

Granger Urges Cooperation

Fire Chief Scores Over-insurance and Excessive Settlements in Address Before Cleveland Board

CLEVELAND, April 19.—Fire Chief James E. Granger in his address before the Insurance Board of Cleveland made a plea for closer cooperation between the fire department and insurance interests. "One of the problems which should be taken up is the paying of exorbitant claims, a factor which encourages incendiarism," he said. Several cases were outlined where the settlement had been far in excess of the loss. "In the future we will report every case where exorbitant payments have been made," Chief Granger spoke of his contacts with the National Board in trying to combat the situation. "The system will never be right until an insurance clearing house is established where every policy must go through," he declared. "In this way a check can be kept on over-insurance, unscrupulous agents and records of incendiary fires."

He reviewed the record of the Cleveland department, which reduced losses from approximately \$4,000,000 in 1929 to \$2,082,414 in 1932 and told of the work of the arson squad, the only one of its kind operating within a fire department. Every member has police powers for effective apprehending of suspects. He stated that nearly one-third of the fires here last year were incendiary. Methods of incendiaries were bared and steps in the solution of major cases were related confidentially, giving the insurance men a clearer conception of the arson squad's work.

C. O. Ransom presided at the meeting.

Hit at Audit Bureau Ruling

Springfield Association of Insurance Agents Objects to the Not Taken Policy Plan

The Springfield, O., Association of Insurance Agents has passed a resolution pertaining to the ruling of the Ohio Audit Bureau to the effect that "no annual or term policy or certificate shall be canceled flat as 'not taken,' with full return premium, unless it is returned to the Audit Bureau by the 15th day of the month following the month in which it became effective."

The Springfield agents claim that this is highly discriminatory. The organization therefore resolved that as heretofore the agents of Springfield will grant a flat cancellation within 30 days from the date of issue of policies on which the premiums have not been paid. They take the ground that it is universally customary to grant a 30 day credit on premiums. This resolution was passed both by the board and non-board agents. The agents appealed to the companies to secure a rescinding of the rule by the Audit Bureau and also requested the insurance commissioner to annul the ruling as being contrary to the provisions of the anti-discriminatory law.

Tells Fire Marshal's Work

J. J. Krug, deputy state fire marshal of Wisconsin, told the Dodge County Insurance Agents Association, at its monthly meeting at Waupun, Wis., how his department makes investigations in alleged cases of incendiarism.

Standard Form for Wisconsin

Revised Measure Has Been Introduced in the Legislature After Considerable Investigation

MADISON, WIS., April 19.—The proposed new standard fire policy has been introduced in the Wisconsin legislature. It now has before it more than 700 bills for consideration. Commissioner Mortensen presented the special report on the standard policy as ordered by the 1931 legislature. The resolution directed the committee to revise the policy so as to clarify its meaning and condense it in as short form as possible. The committee found there were two forms of policies generally used throughout the country, one consisting of 112 lines, which apparently was in conformity with the standard fire policy first adopted and put in general use in about 1887. The shorter form was devised by a commission of the New York legislature in 1918 and consists of 200 lines and is generally known as the New York standard form. It is substantially the one used in Wisconsin. The committee says there is no radical departure from the form now in use but the revisions seek to protect the policyholder while safeguarding the rights of insurance companies. The proposed form provides for payment of loss within 30 days after proof instead of 60 days as at present.

Upholds Valued Policy Law

The committee states that it feels that many injustices would be done to the property owners who might be unfortunate enough to suffer a total loss of their property should the legislature repeal the valued policy law. The committee finds that it serves as a stabilizer in the fire insurance business and prevents companies from taking undue advantage of the property owner in the settlement of a fire loss. The committee recommends a change in lines 176 to 184 because it seems to be in conflict with the valued policy law.

Organize in Jefferson County

Local agents of Jefferson county, in southern Indiana, formed the Jefferson County Indiana Insurance Agents Association at a meeting in Madison. A rule was adopted that all insurance policies must be paid for within 30 days or be cancelled. An advertisement which made public this stand of the agents is reported to have elicited much favorable comment.

Webster City Loss Record

Last year there were 50 fires in Webster City, Ia., with a loss of \$2,800. There were 10 fires where the department was called into rural districts, the loss being \$3,500. Webster City is the home of R. W. Miller, state agent of the New Hampshire and J. L. Peterson, special agent of the Iowa National.

No Action on Springfield Plan

COLUMBUS, April 19.—The Ohio department has taken no action on the proposal of local agents in Springfield and several other Ohio cities to have the department, under authority granted it by the legislature, declare all fire insurance policies void if premiums are not paid within 60 days. It is stated that the subject has never been formally presented to the department. The companies, it is stated, are opposed to the

idea, saying that it would tend to relieve the agents of the responsibility of collecting premiums when they are due. Some officials believe that if such a rule were put into effect it would make a collection agency out of the insurance department. It is understood that the casualty managers are also opposed to the plan, although they would, of course, like to see all premiums paid promptly.

Newspaper Boosts Prevention

Insurance men of Grand Rapids, Mich., are pleased with the editorial that appeared in the Grand Rapids "Press" in connection with the awarding of first place in its class to that city in the inter-chamber fire waste contest. Grand Rapids was given first place in 1927, 1930 and 1932, and honorable mention for 1928, 29 and 31. This record, according to the newspaper editorial, is due to a competent fire force plus the constant educational effort which has been implanted in the minds of local residents on the fundamentals of prevention.

The newspaper states that the record means that the city will continue to enjoy remarkably low fire insurance rates saving Grand Rapids' home and business owners thousands of dollars. Whatever the necessary economies to be made in the fire department budget, the editorial states that the savings program should not be permitted to reduce the efficiency which has made low fire insurance rates possible.

State of Ohio Sues

Suits have been brought against six companies by the state of Ohio which is endeavoring to collect \$300,000 as a result of the damage to the new state office building at Columbus April 14 last year. The companies deny liability on the ground that the loss was caused by explosion and not by fire. The companies sued are the Travelers Fire, \$100,000; Ohio Farmers; Monarch Fire; Northern of New York; American Merchant Marine and American Colony for \$50,000 each.

Won't Prosecute Agents

Commissioner Herdman of Nebraska has refused to follow the example of the Kansas commissioner in the handling by agents of Globe & Rutgers accounts. He has told agents who inquired that they would not be cited for rebating or any other offense if they did what they could to save their customers any money because of the situation arising from the company's failure, in placing new coverage.

Urch Gets Johnson Agency

The N. L. Johnson agency of Batavia, Ill., has been sold to L. L. Urch, the treasurer of Kane county, who is a newcomer in the fire and casualty field, although he has had experience in the life insurance business. Mr. Johnson is under indictment in connection with the handling of funds of a building and loan association of which he was an official.

Must Retry Explosion Case

MILWAUKEE, April 19.—The Wisconsin supreme court has sent back for retrial the \$132,000 damage suit of the E. L. Chester Co., Beloit, in which \$96,639 judgment was awarded in Rock county circuit court against the Wisconsin Power and Light Co., as the result of an explosion and resultant fire in 1930, alleged to have been occasioned by gas escaping from mains of the defendant utility due to a broken valve. The lower court verdict was reversed on technical grounds, according to H. O. Wolfe of Wolfe & Hart, Milwaukee

attorneys appearing in the case. About 40 insurance companies were involved in the Chester and other losses due to the explosion, which wrecked a portion of the West Grand avenue business block in Beloit, shattered dozens of windows and caused other damage throughout the district.

Reduce Number of Policies

JANESVILLE, WIS., April 19.—Local agents will be invited to attend a meeting of the insurance committee of the Janesville board of education and make recommendations relative to readjusting the present policies. No reduction in the coverage is contemplated, but the committee is considering the advisability of reducing the number of policies on school buildings by consolidating the smaller ones.

La Crosse to State Fund

LA CROSSE, WIS., April 19.—When the present stock company fire and tornado policies expire May 1, insurance on municipal buildings here will be placed in the state fund. Local underwriters protested against this action, which deprives taxpaying agents of this business.

Insurer Must Pay Taxes

The new Missouri law is now in effect, providing that if taxes are due on insured property that is destroyed the insurer must first pay these taxes and the assured may not maintain a claim against the insurer unless he presents a certificate that no tax liens exist against the property.

Little Change in Licenses

LANSING, MICH., April 19.—Despite the disturbed economic situation, there appears to be little change this year in the number of agents' license applications, according to Robert Morse, head of the licensing division of the Michigan department. There has been a heavy influx of applications recently due to the fact that April 1 is the renewal date in this state and it has been impossible thus far to tabulate the number.

Nebraska Agents' Meeting

The annual convention of the Nebraska Association of Insurance Agents is to be held in Fremont, May 25-26. One of the speakers will be Cecil Mathews, chief of the bureau of compensation for Nebraska. The officers of the Nebraska association are Philip W. Downs, president; A. B. Dunbar, secretary. Roscoe Alexander is national councillor.

Insurance Ban on Omaha Banks

Both houses of the Nebraska legislature have approved a bill prohibiting Omaha banks from selling any forms of insurance, asked for by Omaha agents. Organized efforts to make the bill applicable the entire state over were defeated after a bitter fight, the controlling argument being that without their insurance revenue many state banks would be forced to close.

The Nebraska house killed a measure backed by farm interests, which proposed to give insurance companies the option of paying a policy in full where property covered was entirely destroyed or replacing it. The opposition to the bill, in the face of arguments that it would take the profit out of arson and reduce fire losses 30 percent, insisted that it was the entering wedge to repeal of the valued policy law and rejected it on that ground.

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IN THE SOUTHERN STATES

Opposed to Vacancy Permit

**Oklahoma Agents Fear Building and
Loan Men Will Form Mutual If Use
of Form Is Continued**

OKLAHOMA CITY, April 19.—The executive committee of the Oklahoma Association of Insurers has gone on record as opposing further use of the vacancy permit as included in the building and loan mortgage clause. Oklahoma City, Chichaska and about 30 other local boards have taken similar action and are advising the Western Actuarial Bureau of their sentiment, Secretary Mott Keys states.

State association members say the vacancy permit clause is working an injustice on insurance agents as well as the building and loan associations. Members of both groups claim that losses on vacant properties owned by building and loan companies of Oklahoma are very low and do not justify this additional charge.

It is believed, unless some equitable solution of this problem is worked out, that building and loan associations will organize a mutual in which to insure their properties in Oklahoma. There are more than 80 building and loan associations operating in the state, which own approximately \$15,000,000 of property, insurance on which would be lost to the agents if this program were adopted.

Convention of Texas Agents to Be Held as Scheduled

DALLAS, April 19.—The annual convention of the Texas Association of Insurance Agents will be held in Corpus Christi, May 25-26, as scheduled. A canvass of members showed that they wanted the annual meeting and plans for postponing it were abandoned. Business sessions will be held at the Nueces and entertainment features at the Plaza hotel.

Because of economic conditions, the program this year will be devoted mainly to an extension of the group meeting plans used at the last annual convention at Amarillo. The program will provide ample time for discussion of the many interesting problems which confront the agents and things that have come up in the past which should be remedied. It is certain the branch office problem will be aired at the meeting.

One of the chief speakers will be C. L. Gandy of Birmingham, president National Association of Insurance Agents.

The local agents at Corpus Christi and in all southwest Texas are planning to make the convention one of the most interesting, so far as entertainment goes, in the history of the organization. Ed Howerton is president of the Corpus Christi Exchange; Frank Sparks, vice-president, and Willard Brown, secretary-treasurer.

Annual Meeting Louisiana Agents Is Now Under Way

The annual convention of the Louisiana Insurance Society started Wednesday of this week in New Orleans with a meeting of the executive committee and exchange officers. In the evening there was a dinner for the executive committee, chairmen of the local committees and exchange officers.

The Thursday morning meeting will be called to order by President E. L. Kidd of Ruston. The address of welcome will be given by John X. Wegmann, president of the LaFayette Fire, and Thomas C. Grace of Baton Rouge will respond. President Kidd will then give his annual address, and J. E. Hasinger will report for the executive committee. Secretary Warren Berwick will

report, as will R. L. McClelland, business manager.

Greetings from the National Association of Insurance Agents will be brought by Matt G. Smith, national councillor, and there will be greetings from the field men, given by H. B. Edwards.

On Thursday afternoon Stuart Maunsell will report as chairman of the finance committee and there will be executive discussion of the proposed graded schedule of dues as authorized by the annual convention last year.

In the evening there will be a dance and buffet supper with the New Orleans Insurance Exchange as host.

On Friday morning there will be a report of the nominating committee and election of officers, followed by other committee reports. A period has been reserved wherein the agents may discuss any topics of interest. Entertainment has been provided for the ladies.

El Paso Exchange Elects

The El Paso (Texas) Insurance Exchange has elected the following officers: C. M. Irwin, president; C. H. Eckford, vice-president, and J. A. Rogers, secretary-treasurer.

McGilton Addresses Women

NASHVILLE, TENN., April 19.—Leon McGilton, special agent American of Newark, addressed the Woman's Insurance Club of Nashville on "Rent Insurance." He pointed out the necessity of informing assureds of the variety of protection obtainable, rather than confining an agency's efforts purely to fire and tornado. He gave several suggestions to the members as to what they can do toward increasing the business of an agency by being well in-

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formed on all lines written and giving customers full information as to how they can be fully protected in case of loss or damage. He urged that they endeavor to attach a rent endorsement and give the assured an opportunity either to accept or reject the coverage, which carries a very nominal premium. This is the fourth lecture in the educational program of the club, the first three having been on the "Policy Contract" by F. H. Warren, independent adjuster.

South Carolina Agents Meeting

At the meeting of the South Carolina Association of Insurance Agents at Greenville, May 12-13, President C. L. Gandy of the National association, A. C. Tobias, counsel for the National Board, and John D. Saint, executive secretary of the South Carolina association, will be the chief speakers. W. F. Robertson of Greenville is president and J. H. Woodside of Greenville is secretary.

Reelect Birmingham Officers

BIRMINGHAM, ALA., April 19.—The Birmingham Association of Insurance Agents has reelected T. Anglin White, president; Charles Cornell, vice-president, and Robert O'Dell, secretary. The executive committee includes P. A. Eubank, R. A. Brown, J. D. Scruggs, R. L. Gregory, J. M. Ford and Raymond Jones.

Files Bankruptcy Petition

A debtor's petition under the amended bankruptcy law has been filed by John G. Stovall, local agent of Richmond, Va. He asks time in which to meet his debts and avoid bankruptcy. He asks that his companies be restrained from canceling, as they have threatened to do, unless he makes immediate settlement. The defendant companies are the Consolidated Indemnity, Commercial Casualty, Girard F. & M., Continental Casualty, Alliance Casualty, United States Fidelity & Guaranty and American Constitution Fire.

Replaces Mississippi Policies

Policies of the American of Newark are being used to replace policies of the Mississippi Fire. For the last two years the American has insured the liability of the Mississippi Fire 100 percent, a rider setting forth this fact having been attached to the Mississippi's policies. However, this became objectionable, so that the Mississippi policies are being taken up as rapidly as possible. The Mississippi Fire continues as a corporate entity, but assumes no liability. Both companies in Mississippi are represented by the H. W. Gates general agency in Jackson.

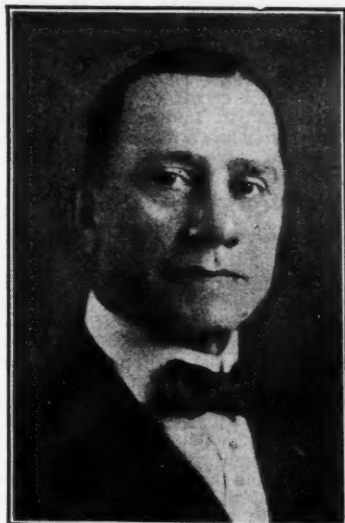
Scheibe Now Local Agent

Fred Scheibe, who has been with Cravens, Dargan & Co. as special agent, has resigned. He has acquired a half interest in the Eichlitz agency in San Antonio and will be associated with C. F. Dieter in the management of that agency.

Braud Opens Own Agency

L. F. Braud, for many years with the P. F. Pescud agency, New Orleans, has

Welcomes Agents



JOHN X. WEGMANN

John X. Wegmann, president of the Lafayette Fire of New Orleans, will deliver the address of welcome at the annual meeting of the Louisiana Insurance Society Thursday of this week in New Orleans.

opened his own local agency at 718 Union street. He was secretary of the New Orleans Insurance Exchange for many years.

R. L. Hawes & Co. of Louisville have taken over the insurance department business of the Louisville Title Co.

News of Pacific Coast States

Building Reform Imperative

Prof. Bailey Willis Discusses Earthquake Hazard at Meeting of San Francisco Business Men

SAN FRANCISCO, April 19—Granting that earthquakes are disasters and destroyers of property, Prof. Bailey Willis of Stanford University, consultant on earthquake risks for the National Board, expressed the conviction in a speech to a group of business men in San Francisco that a good earthquake is a tonic, which serves to remind human beings of the necessity of more honesty and thought in the design and construction of buildings.

Professor Willis came out of semi-retirement to address the meeting, sponsored by the fire prevention and public safety committee of the San Francisco junior chamber of commerce, San Francisco Blue Goose and San Francisco Civic Union. He deplored the ostrich-like attitude which has prevailed in California over earthquakes and compli-

mented the junior chamber of commerce on its determination to face the facts and "do something about it." He said that if cities are constructed properly there need be no fear of earthquakes as terrible disasters, even in the event of major shocks. But, he said, there must

be immediate reform in the building code, a strict and honest enforcement and, wherever possible, a strengthening and bracing of weak buildings, which, in his opinion, can be accomplished with the people so willing. He illustrated his point by comments upon the recent



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Surplus to Policyholders \$920,218.00

An independent Ohio Company with a record of more than 65 years of honorable dealing with Agents and Assureds

More Assets Better Assets Greater Liquidity

ANNUAL STATEMENT December 31, 1932

ASSETS	
Cash in Banks.....	\$ 273,447.02
U. S. Bonds and Treasury Notes.....	319,741.00
Other Bonds	236,657.50
Stocks	1,367,555.22
Mortgage Loans	213,780.95
Collateral Loans	86,607.33
Due from Agents and Other Companies (Not over 90 days old).....	269,391.64
Real Estate	186,778.46
Accrued Interest	14,481.66
Other Admitted Assets.....	13,871.64
Total	\$2,982,312.42
LIABILITIES	
Reserve for Unearned Premiums.....	\$ 856,199.06
Reserve for Losses.....	66,366.23
Reserve for Taxes.....	18,000.00
Due to Other Companies.....	28,882.03
Other Liabilities	1,609.78
Cash Capital	1,000,000.00
Net Surplus	1,011,255.32
Total	\$2,982,312.42

All bonds carried at amortized values. All listed stocks carried at market, Dec. 31, 1932. All other stocks carried at values fixed by Texas Insurance Department Examiners.

COMPARISON WITH LAST YEAR

	1931	1932
Net Premiums Written.....	\$ 870,180.02	\$1,052,478.87
Reserve for Unearned Premiums.....	722,544.22	856,199.06
Assets	2,940,492.14	2,982,312.42
Surplus to Policyholders.....	2,017,740.88	2,011,255.32

GULF INSURANCE COMPANY

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southern California quake, in which properly constructed buildings withstood the shock while others were shaken to destruction.

Fire Chief Brennan, who has had 31 years' service in the San Francisco department and who has constantly sought to avert a repetition of the 1906 fire following the earthquake, pointed out the weaknesses inherent in San Francisco's wooden construction and the hazards which could quickly develop into a major disaster.

Service of the National Automobile Club Extended

SAN FRANCISCO, April 19.—Announcement has been made by the National Automobile Club which is owned and operated by the companies comprising the National Automobile Underwriters Association, that its service to members has been extended to cover the entire nation. Heretofore service has been available only as far east as the Mississippi river. The new move merely means that Californians who are members of the club may obtain road service, etc., while traveling anywhere in the country.

Qualification Bill Reported Out

After further amendments, which overcome objections on the part of the insurance brokers of California, the new agents and brokers qualification bill has been recommended for passage by the assembly insurance committee. The principal change is an increase in the license fee for local agents from \$1 to \$2 at the suggestion of the California As-

sociation of Insurance Agents and the restoration of the brokers' license to \$10 for the first year and \$5 on renewal. The California department had proposed that the brokers pay \$10 annually. The provision in the original bill that agents and solicitors on commission for reciprocals be licensed was eliminated because the committee had previously approved a new reciprocal act which contains this requirement.

Rename British Columbia Group

SAN FRANCISCO, April 19.—H. L. Simpson, associate manager Great American and Phoenix; J. M. Mendell, Pacific Coast manager London Assurance, and W. O. Wayman were re-elected on the British Columbia advisory committee on which they have served for 13 years.

To Open Seattle Office

The Pacific Factory Insurance Association plans to open an office in Seattle within the next month or so. It is composed of 123 stock companies organized to write sprinklered properties.

Valentine Made State Agent

E. A. Valentine of Portland has been appointed state agent in Oregon of the Fireman's Fund and Occidental Indemnity and the automobile department of the other companies of the group.

Miscellaneous Notes

T. B. Tucker, 90, veteran Toledo, O., agent, died from injuries received in a fall from his front porch. He had been in business there more than 65 years.

John Wolfe, 89, of St. Peter, Minn., the oldest resident in his locality, died the other day. One of his sons is J. Pierce Wolfe, local agent at Moorhead, Minn.

Fire and Marine Premiums in New York State Last Year

The New York department report shows that the total fire and marine premiums in New York state last year were \$118,710,262 and losses \$74,084,232. The figures by groups are as follows:

	Premiums	Losses
N. Y. State Stock.....	\$45,999,506	\$31,336,410
New York Mutuals.....	2,020,339	925,037
Other State Stock.....	45,560,645	27,279,934
Other State Mut.....	3,686,373	1,806,977
Foreign Co.'s.....	21,533,397	12,733,874

The New York stock company leaders are as follows:

	Premiums	Losses
Agricultural.....	\$1,215,861	\$ 754,407
Amer. & Foreign.....	503,802	370,657
Amer. Eagle.....	1,546,140	980,175
Amer. Equitable.....	990,695	728,086
Continental.....	3,464,349	2,025,216
Fidelity-Phenix.....	2,130,922	1,558,295
General Exchange.....	1,049,417	568,497
Glens Falls.....	1,419,230	940,114
Globe & Rutgers.....	3,834,950	4,230,940
Great American.....	2,271,323	1,503,718
Hanover.....	720,270	418,658
Home.....	5,457,628	3,278,217
Import. & Export.....	578,162	161,840
International.....	508,636	382,864
National Liberty.....	1,755,723	998,671
New York Under.....	385,346	282,256
Niagara.....	1,363,984	912,946
Northern, N. Y.....	789,386	483,808
North River.....	1,340,371	1,343,853
Pacific Fire.....	583,087	287,687
Queen.....	1,140,529	607,193
United States.....	1,625,545	1,044,852
Westchester.....	1,260,300	874,448

Of the three New York mutuals, the Atlantic Mutual led with premiums \$1,918,105 and losses \$877,814.

The leaders among stock companies of other states are as follows:

	Premiums	Losses
Aetna.....	\$2,348,301	\$1,125,083
Alliance, Pa.....	531,853	374,028
American, N. J.....	1,215,976	802,677
Automobile, N. J.....	1,893,209	992,752
Boston.....	968,984	493,949
Camden.....	876,588	431,653
Connecticut.....	693,955	355,880
Federal, N. J.....	2,172,512	1,054,048
Fire Association.....	840,528	603,848
Fireman's Fund.....	1,786,302	1,076,167
Firemen's, N. J.....	1,106,036	852,535
Franklin.....	836,093	455,463
Hartford.....	2,788,279	1,580,878
Ins. Co. of N. A.....	3,192,919	2,127,151
National, Conn.....	1,367,923	688,539
National Union.....	1,513,303	535,735
Newark Fire.....	512,096	307,486
Pennsylvania Fire.....	537,086	337,484
Philadelphia F. & M.....	616,561	364,177
Phoenix, Conn.....	1,122,539	692,428
Prov. Washington.....	851,390	527,099
St. Paul F. & M.....	1,693,475	1,023,238

	Premiums	Losses
Security, Conn.....	680,217	360,879
Springfield.....	1,336,606	899,157
Travelers.....	1,305,040	489,563
Universal.....	676,717	551,984

The leaders among the mutuals of other states are as follows:

	Premiums	Losses
Automobile, R. I.....	\$ 128,149	\$ 34,951
Central Manufact.....	163,976	116,059
Fall River Mfgs.....	116,512	7,008
Farmers, Pa.....	106,076	51,948
Hardware Dl., Wis.....	153,080	72,744
Indiana Lumberm.....	124,576	41,215
Lumbermen's, O.....	126,719	41,025
Merrimack, Mass.....	105,423	36,859
Michigan Millers.....	182,323	105,653
Millers Nat.....	300,199	162,168
Minn. Implement.....	188,393	67,312
Ohio Farmers.....	214,690	131,279
Pa. Lumbermen's.....	191,955	56,565
Retail Hdwr., Minn.....	154,924	66,753
United, Mass.....	243,264	68,159

The leaders among the foreign companies are as follows:

	Premiums	Losses
Alliance, Eng.....	569,454	221,148
Commercial Union.....	1,244,383	548,186
Eagle Star.....	710,235	400,369
L. & L. & G.....	1,469,937	809,144
London & Lancas.....	501,555	191,267
Marine, London.....	1,226,989	600,632
No. B. & M.....	1,124,612	740,186
Northern, Eng.....	761,450	677,139
Norwich Union.....	584,339	271,383
Phoenix, London.....	596,007	365,609
Prudential.....	585,557	368,219
Royal.....	1,552,473	882,553
Royal Exchange.....	528,794	309,466
Sea, Liverpool.....	643,103	259,840
Sun.....	952,409	572,344
Swiss, Reins.....	567,194	302,456
Tokio.....	724,272	446,023

Pearl Licensed in Michigan

LANSING, MICH., April 19.—The Michigan department has issued a direct writing license to the Pearl of London, formerly licensed for reinsurance only.

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EASTERN STATES ACTIVITIES

Not Liable for Soot Damage

Damaging Oil Furnace Fire Is Held "Friendly" by Rhode Island Court—Not Covered

PROVIDENCE, R. I., April 19.—An important decision establishing the liability of fire insurance companies in connection with soot and smoke damage from a "friendly" oil furnace fire has been handed down by the Rhode Island supreme court after five years litigation, in which the companies are not held liable for damage resulting from such cause.

A department store in Westerly, R. I., suffered heavy damage in 1927 when smoke and soot filtered through the building, coming from a defective oil furnace, the door of which had been found open and a section of the smoke stack fallen from position.

Type of Fire Is Question

In affirming the lower court judgment the court says: "The fundamental question is whether plaintiff's damage was caused by smoke and soot from what is known as a 'hostile fire' as distinguished from a 'friendly fire.' Defendants admit liability for damage caused by the former, but not by the latter. Plaintiffs maintain that since flames escaped from

the limits within which they were intended to be confined, the fire was hostile.

"Defendants contend that, although the flames escaped from their normal limits, nevertheless nothing was ignited or burned outside of the furnace which caused the plaintiffs damage, and that such damage was caused by smoke and soot from a fire which was not hostile, but friendly.

"Neither the building nor its contents were ignited. The flame from the broken smoke pipe did not originate outside the furnace. There is no evidence that such outside flame produced any additional smoke or soot. When the automatic supply of oil was discontinued, the fire in the furnace ceased and the production of smoke and soot came to an end. The fire consumed only what was intended to be consumed. It was extinguished merely by the discontinuance of the supply of fuel.

"The court points out that if the opening of the furnace door and separation of the smoke pipe were the result of explosion, there could be no recovery under the fire policy."

Essex County Board Meeting

NEWARK, April 19.—The first general meeting of the newly formed Essex County Board will be held here April

25, at which time it is expected that a number of new members will be admitted to the organization. Julius Klein of Rosenthal & Klein of this city is president.

J. F. Masters, 64, prominent Boston broker, with O'Brien, Russell & Co. for 16 years, and president of the Brokers Association of Massachusetts for three years, died there Sunday following a short illness.

MARINE NEWS

Yacht Rates Are Increased

Slight Advance Results from Reduction of Allowance for Fire-fighting Equipment

There has been some increase in the rates on yachts put in force by companies writing this business on account of a reduction of the allowance for so-called "CO₂" fire fighting systems. This allowance formerly was ½ percent for boats valued up to \$45,000 and under five years old, but with the opening of the navigation season on the Great Lakes April 15, has been reduced to ¼ percent. Many boats are being launched, especially around Chicago, where the approaching opening of the Century of Progress Exposition June 1 has served as a stimulus. A Chicago daily news-

paper only a few days ago editorially commented on the large number of yachts and small craft being put into service. This affords opportunity for much business to agents and brokers.

Merit Rating Adopted by I. M. U. A. on Fur Policies

The Inland Marine Underwriters Association has approved the principle of merit or "judgment" rating applicable to the furriers' customers' policy and available to furriers who store furs of the value of more than \$150,000. The rules under which merit rating will be determined have not generally been disclosed. However it is known that the \$150,000 requirement will be an average between value of furs stored July 31 and Aug. 31, 1932. It is not contemplated to allow much reduction in rate due to merit rating. The purpose largely, it is said, is to meet some competition. The allowance or disallowance of merit rating will depend largely on how a risk originally was rated. It is said, also that convincing reasons for special treatment must be produced. For instance if a company asks for merit rating on a risk it now has and which it had for the previous term, the I. M. U. A. probably will demand a showing that the risk has been contacted by some competitor and a lower rate would help to hold the business; that original rating was improperly high, or some such showing.

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VANCOUVER

CLEVELAND

LONDON

DULUTH

81ST ANNUAL STATEMENT JANUARY 1, 1933

ASSETS		LIABILITIES	
U. S. Government and Municipal Bonds.....	\$ 2,668,323	Unearned Premium Reserve.....	\$ 4,416,183
Public Utilities and Other Bonds.....	2,813,688	Losses in Process.....	773,809
Banks and Other Stocks.....	8,935,866	Taxes and Expenses.....	499,574
Total Bonds and Stocks.....	\$14,417,877	Contingency Reserve.....	3,232,502
Accrued Interest, etc.....	134,923	Capital.....	\$4,000,000
Cash and Premiums Receivable.....	2,504,373	Net Surplus.....	4,135,105
	\$17,057,173	Policyholders' Surplus.....	8,135,105
			\$17,057,173

\$4,000,000 CAPITAL JAN. 1, 1933

\$8,135,105 POLICYHOLDERS' SURPLUS

\$17,057,173 ASSETS

LOSSES PAID SINCE ORGANIZATION \$77,518,000

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Important Moves Made at Meeting

(CONTINUED FROM PAGE 1)

annual meetings of field organizations is left largely with Secretary C. F. Thomas.

Chairman J. F. Stafford of the uniform forms committee stated that there had been an increase of 36 percent in forms ordered by agents during the last five months, these applying chiefly to dwellings. He said that the committee is making a survey of the situation, hoping to eliminate some more forms. It is considering the revision of dwelling forms so that a policy can be produced with no endorsements on it and thus no riders will be necessary. He said that all provisions would be printed in the form. There were 8,000,000 more forms printed last year than a year ago.

Tuttle Reports on Chicago

C. R. Tuttle, North America, chairman of the Chicago committee, in reporting on that city said that the Chicago Board had reduced its expenses and had cooperated in all needed reforms. He said that brokerage business in the city runs an average of about 75 percent as compared with direct business in class 1 agencies. The class 1 offices, therefore, have to render many services along underwriting, inspection and clerical lines. Mr. Tuttle claims that it takes \$2 to put a policy through the books. There has been much falling off in term business, it being placed in annual policies. This has increased the cost because most of these policies are small. He defended the \$1 policy fee as necessary in order to meet this increased burden. Mr. Tuttle said that the Chicago and Cook County premiums decreased from \$29,000,000 in 1928 to \$15,720,000 last year or 47 percent. The assessment made by the Chicago Board on companies has been reduced.

The five ex-presidents constituting the nominating committee consisted of C. R. Street, Great American; C. R. Tuttle, North America; J. M. Thomas, National Union; G. H. Bell, National of Hartford, and J. C. Harding, Springfield. One other ex-president was present, W. B. Flickinger, North America.

The committee on multiplicity of policies was discharged inasmuch as its work has now been completed.

The members were highly pleased with White Sulphur and many advocate it as the permanent spring meeting place and Manchester, Vt. for the fall conference.

Seeking Nation Wide Authority

(CONTINUED FROM PAGE 3)

that merchandise is so held would be prohibitively expensive.

In the casualty field the conflict has been principally with burglary and hold-up risks. While the marine companies have not gone as far as the casualty carriers would like, they have gone a considerable distance in modifying forms of coverage to which casualty men especially objected.

The work of the marine committee on interpretation and complaint, operating in close cooperation with the New York department, has received general approval from all classes of carriers by reason of its fair and impartial recommendations.

Rickards in South America

Secretary E. L. Rickards of the National Automobile Underwriters Association at Chicago has gone on a trip to South America. He will visit his son who is in the airplane business on that continent.

**"IT IS BY PRESENCE OF MIND
IN UNTRIED EMERGENCIES THAT
THE METAL OF MAN IS TESTED."**

—Lowell.

GOLDEN

Had Lowell been living in our time he could not have uttered a thought which was more applicable in pertaining to our present condition.

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Reform in Small Loss Field Urged

(CONTINUED FROM PAGE 3)

hinges. In February, he said, a number of companies received from an agent a notice: "Please remit us 90 cents as your share of tornado loss on court house which occurred Dec. 3. It is too small to take numerous proofs."

Not Previously Notified

The companies had not been previously notified of this loss, he said. The weather bureau records showed that on Dec. 3 there had been a 12-mile wind with a maximum of a 20-mile wind for five minutes during the 24-hour period. It was found that the loss was caused by the slamming of a door on which there was a lot of lettering. All of the companies paid.

Mr. Street asked whether field men

are properly coached as to loss matters. Many officials think, he said, that because few field men, in this day of specialization, handle losses, that it is not necessary for field men to know anything about losses. Mr. Street advocated making greater use of the capacity of field men in the loss operations, which, he pointed out, take 50 percent of the premium dollar. For instance field men may be used more extensively for propaganda and educational purposes. Under present conditions, he said, it is often true that the agent, in desiring to use the small loss competitively, gets sympathy from the field man.

Chicago Auto Salvage Plan Is Now Placed in Operation

(CONTINUED FROM PAGE 2)

rehabilitated cars outside of Cook county. Parts will not be sold to outsiders, many of whom in the past have

acted as fences, unless the parts are marked for rehabilitation of cars belonging to insurance companies.

The salvage company will engage an auditor, who will make monthly reports. The firm agrees to work with the police and to help in replacing stolen or badly stripped cars with new cars.

Early this year, when the salvage proposal came up, the Underwriters Salvage Company was approached with the proposal that it take over automobile work. Its officials decided, however, that it was not feasible to engage in the automobile business.

A subcommittee of automobile superintendents and loss men investigated further. They found that insurance companies were being charged \$7.50 for towing and \$1 for 24 hours storage. The subcommittee consisted of W. H. Eastman, General Motors Exchange; L. L. Sanders, National; J. A. McClelland, Great American, and Wiley Burden, Hartford. Mr. Hollingshead was interviewed and he offered to provide tow-

ing on a cost plus basis for \$3.30 and to provide storage for 50 cents a day. Mr. Hollingshead submitted a proposal whereunder his company, which is capitalized at \$150,000, would handle the salvage operations.

Under the plan, all stolen, stripped or wrecked automobiles will be towed to the salvage bureau and member companies furnished with the cost of repairs or replacements. All reputable dealers and independent shops will be permitted to bid. Thus the competitive situation still exists.

In 1932, about 6,000 cars were towed in Chicago for insurance companies at a cost of \$45,000. Under the \$3.30 charge the same number of cars could be towed for \$25,000. Likewise the storage charge on the cars towed last year was \$6,000, whereas under the new scale it would be \$3,000.

The office of the National Fire of Hartford has gone on a five-day week basis, the working week closing Friday night.

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April 20, 1933

CASUALTY AND SURETY SECTION

Page Twenty-one

Bennett Suggests Bank Limitations

Proposes Congress Revise Law to Keep Banks Out of Insurance Business

SEES BENEFITS FOR ALL

Would End Coercive Power in Connection With Loans and "Unfair Competition" With Agents

NEW YORK, April 19.—In connection with the general revision of the banking laws now engaging the attention of congress, W. H. Bennett, secretary National Association of Insurance Agents, offers that consideration might well be given to prohibiting banks from engaging in the insurance business as well as from selling securities through affiliated enterprises.

Under the banking act of 1916, Mr. Bennett points out, no national bank located in a community of over 5,000 population may engage in the insurance business, a stipulation that does not apply to state banks.

All Would Be Benefited

If, in his opinion, the federal reserve act were amended by providing that "no officer, director or employee of a banking institution located and doing business in any place the population of which exceeds 5,000 inhabitants * * * shall after one year from approval of the act, directly or indirectly solicit, negotiate or effect contracts of insurance, surety or indemnity, in connection with, or in the interest of any such bank," such legislation would be beneficial, not only to insurance agents but to banks and the insuring public.

The appointment of bank officials or employees as representatives of insurance companies became quite the custom years ago, particularly in farming communities of the west and the north-west, where a bank was the center of all financial transactions and its officers consulted in all matters affecting the economic welfare of the citizens generally.

Business Accepted Freely

Bank representation was highly prized by insurance offices in such communities, the bankers being men of responsibility, familiar with financial matters and competent to explain them to the uninformed. Acquainted as bankers are with the financial and moral standing of practically every individual in their home towns insurance upon risks submitted through such agencies was accepted by companies with little or no question. As a rule, too, balances were paid promptly and in event of loss, information of aid in prompt and proper claim settlements was forthcoming, a combination of influences that made company officials warm up to their bank

(CONTINUED ON NEXT PAGE)

Casualty Premiums Decrease 16 Percent for all Classes

Casualty premiums for all classes of carriers totaled \$831,328,310 in 1932, compared with \$995,558,799 in 1931, or a decrease of 16.5 percent. Stock casualty companies wrote \$678,144,740 in premiums in 1932 and \$823,097,570 in 1931, a decrease of \$144,952,830, or 17.6 percent. This is compared with a decrease of 7.06 percent in 1931.

Mutual premiums totaled \$131,346,469 in 1932, a decrease of \$13,907,899 or 9.6 percent. Reciprocal and Lloyds wrote \$21,837,101 in premiums in 1932, a decrease of 19.7 percent.

The following figures showing the net premiums and losses and adjustment expense by lines are taken from the Argus Casualty & Surety Chart, published by The National Underwriter, which will soon be off the press:

See on the press.

STOCK COMPANIES						
	1932			1931		
	Net Premiums Written	Losses and Adj. Exp. Paid	%	Net Premiums Written	Losses and Adj. Exp. Paid	%
Accident (sep.)	\$ 42,930,869	\$ 28,215,079	65.7	\$ 60,419,192	\$ 39,593,819	65.5
Health (sep.)	18,424,733	14,625,599	79.3	34,241,911	23,714,769	69.3
Non-Can. A. & H. (sep.)	17,860,292	12,963,535	72.5	13,327,506	7,361,615	55.2
Other A. & H. (not sep.)	60,588,973	34,784,536	57.4	67,108,785	38,267,716	57.0
Total A. & H.	139,804,867	90,588,749	64.7	175,097,394	108,937,919	62.2
Other liability	52,409,964	28,537,185	54.4	58,930,325	28,869,763	49.0
Auto. liability	184,331,751	129,631,019	70.3	207,000,421	132,169,287	63.8
Workmen's comp.	100,707,123	95,833,889	95.1	135,487,547	112,878,267	83.3
Workmen's coll.	24,259	19,236	79.2	16,205	12,301	75.9
Fidelity	41,961,022	23,687,048	56.4	44,302,262	22,980,784	51.9
Surety	33,772,193	45,430,476	134.5	47,641,943	48,239,763	101.3
Plate glass	10,412,576	4,831,707	46.4	11,001,936	5,104,879	46.4
Burglary	26,784,942	13,796,135	51.5	32,445,623	14,962,363	46.1
Auto. prop. damage	53,027,279	26,626,879	50.2	64,879,097	34,080,316	52.5
Auto. collision	8,024,517	5,222,399	65.0	11,676,539	5,582,746	47.5
Other prop. D. & C.	2,268,974	879,650	38.7	2,901,470	1,199,396	41.3
Other auto. (not sep.)	9,665,414	6,571,469	67.9	9,943,102	6,732,569	67.7
Steam boiler	5,237,153	423,458	8.0	6,177,704	918,191	14.9
Machinery	2,055,390	301,391	8.8	4,923,667	863,542	17.5
Credit	3,424,306	3,027,390	88.4	4,446,473	4,271,104	96.1
Sprinkler leakage	548,471	262,891	47.9	742,490	314,562	42.4
Live stock	351,366	410,664	116.8	473,030	584,182	123.5
Miscellaneous	1,840,407	2,340,217	127.1	3,147,403	2,198,581	69.9
Auto. fire, theft & torn.	1,492,766	811,418	54.3	1,862,939	1,087,564	58.4
Grand aggregate	\$678,144,740	\$479,233,270	70.6	\$823,097,570	\$534,988,099	65.0

MUTUALS						
	1932			1931		
	Net Premiums Written	Losses and Adj. Exp. Paid	%	Net Premiums Written	Losses and Adj. Exp. Paid	%
Auto. liability	\$ 35,402,492	\$20,204,790	57.0	\$ 35,638,437	\$20,201,705	56.7
Auto. property dam...	11,985,836	4,683,056	39.0	12,153,718	5,053,735	41.6
Auto. collision	4,625,408	2,451,550	53.0	6,046,827	3,773,940	62.4
Other auto.	2,589,874	1,220,907	47.1	2,141,538	868,780	40.6
Auto. (lines not seg.).	1,334,702	856,550	64.1	881,671	302,403	34.3
Total automobile.....	55,938,312	29,416,853	52.5	56,862,191	30,200,563	53.1
Other liability	4,691,661	2,231,908	47.5	5,233,223	2,323,892	44.4
Workmen's comp.	31,687,886	25,983,700	81.9	40,175,779	30,928,332	77.0
Other prop. D. & C....	190,880	75,931	39.7	241,231	94,792	39.3
Fidelity	150,524	65,774	43.6	125,607	38,142	30.4
Surety	1,743	.....	.....	5,385	1,078	20.0
Plate glass	798,458	380,528	47.6	811,542	373,113	46.0
Burglary & theft.....	327,312	132,464	40.4	466,447	172,258	36.9
Live stock	17,261	9,656	55.9	30,626	18,356	59.9
Steam boiler	197,597	7,230	3.6	220,717	8,911	4.0
Machinery	75,197	14,938	19.8	66,216	3,281	5.0
Acc. & H. (including sick ben. & burial)	37,269,638	26,947,921	72.3	41,015,404	28,403,506	69.3
Total	\$131,346,469	\$85,266,902	64.9	\$145,254,368	\$92,566,224	63.7

RECIPROCALLS AND LLOYDS						
	1932			1931		
	Net Premiums Written	Losses and Adj. Exp. Paid	%	Net Premiums Written	Losses and Adj. Exp. Paid	%
Auto. recip.	\$17,304,890	\$10,540,006	60.9	\$21,008,232	\$10,485,536	49.9
Recip. writing work. comp. and other lines including auto. not classified	4,532,211	2,660,581	58.7	6,198,629	4,418,124	71.3
Total	\$21,837,101	\$13,200,587	60.4	\$27,206,861	\$14,903,660	54.8

New Compensation Program Projected

Only One Set of Rates to Be Advanced This Year

RATES COMMITTEE ACTS

New Filings Are to Be Hastened for Alabama, Kentucky, New Hampshire and Tennessee

NEW YORK, April 19.—In unanimously agreeing on the principles and procedure to be followed in the preparation for rates for 1933, the rates committee of the National Council on Compensation Insurance removed one of the main causes that militated against securing new rates in many of the states during the past year—the submission of two schedules, one by the stock and another by the non-stock carriers. In no state were the rates proposed in accord, the recommended advances by the two sets of companies ranging anywhere from 5 to 10 percent. This marked difference made the state authorities hesitate to approve either of the proposed schedules, with the result in most cases that they did nothing, compelling the carriers to continue operating at rates the inadequacy of which was unquestioned.

Resolutions Are Adopted

The series of resolutions adopted without a dissenting vote by the rates committee defining the program for the new year were as here given:

"That for the 1933 rate revision
(1) Pure premium relativity be based upon the indications of policy years 1927 to 1931 inclusive as reported in Schedule 'Z', 1931 policy year being developed to the ultimate in accordance with the recommendations of the actuarial committee.

"(2) The loss portion of the rate level in each state be based on 1931 policy year schedule 'Z' as determined above subject to the same eligibility requirement for a one year level as was used in the 1932 revisions.

Set Effective Dates

"(3) Medical be projected two years beyond policy year 1931, i. e., to Jan. 1, 1934.

"(4) The emergency loading of 2.5 points be continued.

"(5) Recognition be given to departures in loss ratio by industry groups in accordance with the principles developed by the actuarial committee subject to a reasonable limitation in the extent of such departures, the basis of such limitations to be determined by this committee following a further study by the actuarial committee of their recommendations. It is understood that because of this recognition of industry group differentials the actual selection of pure premiums by the council staff

and its committees shall be limited so far as possible to formula pure premiums.

"That the National Council staff establish a schedule of effective dates of revised rates in all states and be given leeway to make such future adjustment in the schedule as may be found advisable.

"That the 1933 revision of rates in all states be based upon a standard expense loading of 40 percent with suitable adjustments in individual states for variations in taxes and other items."

To facilitate the early filing of revised rates in the different states it was made clear that carriers should submit their reports under schedule Z as promptly as possible, and that the National Association of Mutual Casualty Companies and the National Bureau of Casualty & Surety Underwriters aid in getting compliance. The effect of reopened cases on compensation experience, it was agreed, was one of the factors that should be taken into account by the actuarial committee in its study of the development of the first reporting of schedule Z.

Rates Committee Members

The rates committee is composed of the Aetna Life, Continental Casualty, Employers Liability, Globe Indemnity, Indemnity of North America, Maryland Casualty, Ocean Accident, Travelers, United States Casualty, United States Fidelity & Guaranty, American Mutual Liability, Casualty Reciprocal Exchange, Employers Mutual Casualty of Iowa, Employers Mutual Liability of Wisconsin, Hardware Mutual, Interboro Mutual, Lumbermen's Mutual Casualty, Michigan Mutual Liability and Utica Mutual.

The first section of the national council resolution means that the experience of policy years 1927-1931 will be used to determine the relationship of one classification to another so far as rates are concerned. In developing policy year 1931 to the ultimate, the statisticians use a factor based upon the experience of policy years in the past developed at the end of successive periods.

The second part of the resolution means that the general rate level will be based upon the indications of the latest available policy year, which is 1931. In 1932, rates were projected on the basis of the experience of policy year 1930. In former years, rates were predicated upon the experience of the latest three policy years.

The same principle that was followed last year will be used in determining the medical feature, which is projected in accordance with the theory of least squares.

Current, Unusual Factors

The fifth article in the resolution means that an attempt will be made to take into consideration various current and unusual factors that may affect the experience of particular industry groups. That is, the mechanization of one industry may be progressing at a rate faster than that of another, and that industry may have a sharply increased loss experience. Accordingly, the National Council will take cognizance of these departures by scrutinizing the experience of industry groups for the latest policy year.

The companies are asked to make the 1933 reporting of schedule Z (the first reporting of policy year 1931 and the second reporting of policy 1930) on or before May 15 for the states of Alabama, Kentucky, New Hampshire and Tennessee. In those states, rate increases were denied last year and the present rates are declared to be seriously inadequate.

Two Ohio Bills Signed

Governor White of Ohio has signed the guest liability bill and that for service on non-resident automobile drivers.

The All-California Accident Prevention Conference will be held in San Francisco May 24-25.

Head of Group



FRANK M. CHANDLER

Frank M. Chandler of Chicago, president Illinois Insurance Federation, will preside over the annual meeting at Springfield, Ill., this week. It seems a foregone conclusion that Mr. Chandler will be reelected as he has made a most acceptable official, especially in this legislative season.

Bennett Suggests Banking Limitation

(CONT'D FROM PRECEDING PAGE)

agencies and loath to take any action that would militate against them.

Local agents as a rule then had no complaint to make of the small town bank agency, appreciating that generally speaking the aggregate insurance secured from such communities was insufficient to support a full time agent. Objection mainly was made to giving representation to banks in larger centers, permitting the exercise by financial men of coercive power when effecting loans, thus affording unfair competition to insurance agents.

Principle Set Forth

As the outcome of a joint conference between representatives of the National Board and the National Association of Insurance Agents a number of years ago, it was held "detrimental to the best interests of the insurance business and all connected therewith, further to extend company representation by financial institutions or individuals connected therewith, who are in position to influence premiums by exercising the power of credit, or when the earnings of the insurance department or individuals accrue directly or indirectly to such institutions."

MICHIGAN BEHIND MOVE

DETROIT, April 19.—Charles E. Freese, president Michigan Association of Insurance Agents, has advised members to wire or write U. S. Senators Couzens and Vandenberg and the Michigan district congressmen at once expressing favor without qualification of any bill divorcing banks and other financial institutions from the insurance business.

Start Reciprocal Liquidation

SAN FRANCISCO, April 19.—Liquidation of the United Indemnity Association of San Francisco, automobile reciprocal, was started April 18 by Commissioner Mitchell following the granting of his petition for such procedure by the superior court, which also sustained an injunction issued last week.

Gordon, Holtzman, Redfield on Sales Congress Program

GROVES, McINTOSH TO SPEAK

Chicago Accident & Health Club Lists Notable Speakers for Its Second Educational Session May 3

The program for the second sales conference of the Accident & Health Insurance Club of Chicago, to be held May 3, has been completed. C. H. Davis, Pacific Mutual Life, will act as chairman and introduce the speakers, as he did at the first conference. R. W. Abbott, Maryland Casualty, president of the club, will give a brief address of welcome.

All the speakers are Chicago men and all well-known in the accident and health field. The addresses are: "A True Concept of Accident and Health Insurance," Harold R. Gordon, executive secretary Health & Accident Underwriters Conference; "Basic Need for Income Protection," A. M. Holtzman, Continental Casualty; "Why Sell Accident and Health Insurance?" C. T. Redfield, Mutual Benefit Health & Accident; "Sales Demonstration, Cold Canvass, Approach, Interview, Various Closes," B. H. Groves, Travelers; "Your Future—Where Do We Go From Here?" F. W. McIntosh, Monarch Life.

The conference will be held in a ground floor room on the Sherman street side of the Insurance Exchange building, which it is believed will provide ample accommodation for between 700 and 800 people. A new feature this time will be a series of advertising exhibits sponsored by the various companies that are represented in the club. The conference room will be open in the morning for those who wish to inspect these exhibits. The formal program will start at 1:30 p. m., and is expected to be concluded about 4 o'clock.

Some novel advertising and promotion material is being prepared by the publicity committee, headed by F. W. McIntosh.

Illinois Insurance Men Join Against Inimical Measures

Several bills which insurance interests in Illinois are vigorously opposing are well on their way toward passage in the legislature. House bills 215 and 216, raising the jurisdiction of justices of the peace in personal injury cases to \$500, were voted out favorably by the senate judiciary committee and are on second reading in the senate. House bill 123, making all casualty and accident companies co-defendants, was recommended for passage by the senate insurance committee after being amended so as to contain old objectionable provisions which were cut out of the bill when first introduced in the house.

House bills 536, 537 and 538 were passed, having to do respectively with publication of abstract of companies' annual statement, and amendment of the agents' and brokers' license laws. House bill 631, sponsored by the insurance department for a separate department, was reported on favorably by the house insurance committee. House bill 507, also recommended by the department, which would give power to the superintendent (known as the moratorium bill), will be heard April 19 by the senate insurance committee. Senate bill 431 was introduced by R. V. Graham, son-in-law of the late Mayor Cermak of Chicago. It would make bills of hospitals, doctors, surgeons and nurses prior liens on insurance contracts, and it is believed by insurance men would make possible fraud and padded bills.

Oklahoma Loss Ratio Is High on Casualty Lines

OKLAHOMA CITY, April 19.—Net premiums written by casualty companies in Oklahoma in 1932 totaled \$6,471,480 with paid losses amounting to \$5,810,889, according to figures released by insurance department. Accident and health premiums totaled \$1,720,061 and losses, \$1,211,954; auto liability premiums were \$940,414 and losses \$718,469; other liability premiums aggregated \$329,553 and losses \$162,437.

Although loss ratio was not so great as in the previous year, experience of companies in workmen's compensation insurance during 1932 was very unfavorable with losses exceeding income by \$815,727. Premiums in 1932 were \$1,438,616 and losses, \$2,254,340. In 1931 premiums were \$2,034,610 and losses \$2,978,927. Fidelity and surety premiums were \$1,212,299 in 1932 and losses at \$1,065,281; burglary and theft premiums at \$211,333; automobile property damage and collision, etc., \$397,951 in premiums, losses \$163,357; and income from miscellaneous and other lines was \$106,997 and losses, \$12,737. Plate glass premiums totaled \$114,276 as against \$147,097 in 1931; and claims paid in 1932 were \$45,441 as compared with \$60,220 in 1931.

Reinsurance Still Sought for Central West Casualty

J. C. Ketchum, deputy custodian manager of the Central West Casualty, visited the Chicago branch of that company last week and arranged for its reorganization. H. J. Kafka, who has just organized the Krafft-Kafka agency, remains as branch manager on a reduced salary and A. J. Farrell remains as chief claim adjuster. Space is being reduced.

Efforts are still being made to re-insure the business of the Central West Casualty, except the depository bond lines. The question comes up whether a partial reinsurance might not be regarded as discriminatory.

Fidelity Business Is Going Strong as Country Recovers

Surety men are finding this strictly a fidelity year. Many offices report this business rolling in in much larger volume. The 1929 stock crash and the succeeding depression and anticipated moral hazard in fidelity lines had been expected to stimulate this business, but financial difficulties of general business and the paring down of staffs served to hold the premiums down. Surety men now are finding a ready sale for primary commercial blanket bonds, even in spite of the sizable premiums. Legalization of beer undoubtedly has played a part, as many people have gone back to work and employers again are finding need for the fidelity coverage.

Bartender Can't Collect as Confectionery Clerk

MADISON, WIS., April 19.—The Wisconsin supreme court sustained the Midland Casualty of Milwaukee in refusing to pay a claim under an accident policy held by Gelio Calligaro, because he had misrepresented his occupation to be "clerk in confectionery store," whereas testimony showed that he was a bartender in a speakeasy. The company said it would not have issued a policy to Calligaro had it known his real occupation.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business April 17

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	1.60	34	36
Aetna Fire	10	1.60	23	25
Aetna Life	10	...	10	12
Amer. Alliance ..	10	1.00	8	10
American, N. J. .	2.50	.50	5	6
Amer. Surety	25	...	8	10
Automobile, Conn.	10	1.00	12	14
Boston	100	16.00	320	340
Carolina	10	.50	7	9
City of N. Y.	100	2.50	55	65
Conn. Genl.	10	...	17	19
Continental Cas. .	5	...	6 1/2	7 1/2
Continental Ins. .	2.50	1.20	14	15
Fidel.-Phenix ...	2.50	1.20	14	15
Fireman's Fund. .	25	3.00	35	36
Fireman's F. Ind. .	10	...	12	14
Firemen's	5	...	3	4
Franklin Fire ...	5	1.00	9	10
Glens Falls	10	1.60	17	19
Great Amer. Ind. .	1	...	3	5
Great American. .	10	1.00	9 1/2	10 1/2
Halifax	10	.90	8	9
Hanover	10	1.60	21	23
Harmonia	10	.50	6	8
Hartford Fire ...	10	2.00	33	35
Home, N. Y.	5	1.00	12	13
Hartford St. B. .	10	1.60	40	42
Homestead	10	...	3	5
Ins. Co. of N. A. .	10	2.00	27	30
Maryland Cas. . .	2	...	2 1/2	3 1/2
Mass. Bonding. .	25	...	8	11
National Cas.	10	...	3	5
National Fire ...	10	2.00	35	37
National Liberty. .	2	.10	2 1/2	3 1/2
National Surety. .	10	...	3	4
National Union. .	20	...	21	23
New Amst. Cas. .	10	1.50	8	9
New Brunswick. .	10	.50	5	7
North River	2.50	.60	8	9
N. W. National. .	25	.50	50	55
Occidental	10	...	9	10
Phoenix, Conn. .	10	2.00	42	44
Prov. Wash.	10	.80	15	17
Sprgld. F. & M. .	25	4.50	49	52
St. Paul F. & M. .	25	6.00	103	106
Sun Life	100	...	210	240
Travelers	100	16.00	240	260
U. S. Fire	4	1.20	16	17
U. S. Fld. & G. .	2	...	3	4
Westchester	2.50	1.00	12	13

*Ex. div.

International Reinsurance Examination Is Under Way

Representatives of the Delaware, New York, Pennsylvania, New Jersey and Ohio departments began an examination of the affairs of the eastern department of the International Reinsurance at Philadelphia April 17. The Delaware department, as the home state of the company, is directing the work. It is assumed the California and Wyoming departments will make a survey of the headquarters office of the corporation at Los Angeles coincidentally and the result of the combined investigation will be made known in due course.

Hills to Be New President

NEW YORK, April 19.—The Accident & Health Club of New York will hold its annual meeting tomorrow night. The following have been nominated: President, R. L. Hills, Great American Indemnity; vice-president, W. F. White, Royal Indemnity; treasurer, Harry Usher, Aetna Life; secretary, Fred Cloos, Metropolitan Life.

The retiring officers will act as an executive committee. They are L. K. Farrell, Metropolitan Life; L. A. Welsh, U. S. Casualty; Hugo Henn, Indemnity of North America; and H. M. George, U. S. F. & G.

Nichols Company Anniversary

The Nichols Company in the Woodward building in Washington, D. C., which does investigation and loss work for companies, on April 15 rounded out its 12th anniversary. The office now has a personnel of 18 men and maintains a fully equipped branch at Richmond, Va. The Nichols Company covers about 7,500 claims a year. V. A. Nichols is president and manager, and W. H. Hargrave, vice-president and assistant manager.

Believe Casualty and Surety Underwriting Too Restricted

PENDULUM SWUNG TOO FAR

Producers Find Companies Considering Only Best Risks at Expense of Public Antagonism

NEW YORK, April 19.—Many agents and brokers throughout the country feel that casualty and surety companies, with a few notable exceptions, in swinging away from the liberal underwriting policies which existed prior to 1929, became too conservative and made difficult the placing of a considerable number of risks properly entitled to protection.

It is conceded that in view of unsettled economic conditions following the financial debacle of 1929, later complicated by the political campaign with attendant uncertainties, company officials were justified in pruning business and raising standards for acceptance of new risks. However, many field men believe the pendulum swung too far the other way, that now acceptance rules might be liberalized with safety to companies and justice to prospective assureds.

As the agents and brokers view the matter, some company executives became panicky because of banking conditions and are discarding all offerings save those of A plus rating. Border line cases that previously were given individual treatment and considered on their merits, now are tossed aside as unworthy of consideration. This situation adds to the difficulties of agents and brokers and is creating some public antagonism toward casualty insurance.

New Auto Rates in Two States

In addition to the four states in which revised automobile rates were recently promulgated by the National Bureau of Casualty & Surety Underwriters, it is understood that new tariffs in two other states will shortly be announced, such procedure being impelled by the disclosed loss experience.

The American National of Galveston has ceased writing accident and health insurance in Illinois and is confining all its activities to life insurance.

Example of Public Reaction

The various disturbances that have occurred in the insurance field, whether fire, life or casualty, are causing the public to question closely insurance operations. Disaster to one company causes apprehension on the part of the public not only about the welfare of other companies of that class, but about companies of all classes. Agents must answer inquiries of all sorts and are on the defensive a good deal of the time.

The following letter, which was received by a casualty company in answer to a personal accident renewal notice, together with notice of increased premium, probably reflects public sentiment rather accurately:

"I have no objections to paying the increased premium but in this day and age I should like to have some further assurance that your company is solvent and will be in a position to carry out and complete its contract. You know the banks and the insurance companies in the past have been held in awe to some extent by the poor policyholders but that time has passed. With the big life insurance companies failing to carry out the provisions of their contracts insofar as loaning money, paying death benefits, etc., all of which you know about, it seems to me as a business proposition your client should have some reasonable assurance that when he buys a policy, if anything should happen the company is going to fulfill

Will Give Talk



HERMAN A. BEHRENS

H. A. Behrens of Chicago, president of the Continental Casualty and the Continental Assurance, will be one of the main speakers at the banquet Thursday evening of this week given by the Illinois Association of Insurance Agents at Springfield. Mr. Behrens is regarded as an authority on insurance and will give some observations on current problems.

Northern Casualty Concern Referred to Attorney General

The Illinois insurance department has referred the Northern Casualty Underwriters of Chicago to the attorney general for action. This is a reciprocal that is reputed to have been in more or less difficulty. Its statement a year ago showed assets \$44,565 and surplus \$33,025. Its premiums were \$32,708. It was referred to the attorney general last year and evidently was able to wiggle out. J. A. Arkin is attorney in fact. Its business is largely automobile.

Surety's Right to Cancel Depository Bonds Upheld

DECISION IN PENNSYLVANIA

Globe Indemnity Wins Important Case —No Liability for Deposits Made After Cancellation Notice Given

PHILADELPHIA, April 19.—Surety companies won a long fight for the right to cancel depository bonds when the Dauphin county court ruled companies need not reimburse the state for money in active accounts in closed banks if the companies had previously cancelled bonds.

The decision was handed down in the suit of the state against the Globe Indemnity for \$199,161. The Globe and the Aetna Casualty were on the bonds of the state's deposit in the Diamond National Bank, Pittsburgh, when it closed Nov. 15, 1932. When the bank closed, the state deposit amounted to \$398,322. The Aetna Casualty paid its half but the Globe contended that it canceled its bonds in June, 1932, and was therefore liable only for the amount on deposit at that time and not liable for any deposits made after that date.

In its argument, the company pointed to the ruling of the state supreme court that "the surety company is permitted, at any time, to give a reasonable notice which will result in the termination."

The state contention was that where no provision for cancellation is made in the bond, there can be none without the consent of all parties.

The court took the stand that where surety companies are guaranteeing deposits in active depositories, they have the right of cancellation and ruled that all the Globe must pay to the state is \$568, which it had on deposit when the bonds were canceled, and interest from Nov. 15, 1932.

May Pay \$750,000 to Toledo

TOLEDO, O., April 19.—Nine surety companies must pay the city of Toledo approximately \$750,000 impounded in the closed Security-Home Trust Company here, the Lucas County court of appeals holds. The companies involved and the amounts of their bonds are: Fidelity & Deposit, \$850,000; Aetna Casualty, \$200,000; New York Indemnity, \$50,000; Detroit Fidelity & Surety, \$100,000; Union Indemnity, \$500,000; Guardian Casualty, \$100,000; Standard Surety & Casualty, \$260,000; National Surety, \$500,000; U. S. Fidelity & Guaranty, \$400,000.

The court of appeals held all the companies liable for the full amount of the city's impounded deposit in proportion to the amount of their bonds. Each surety is liable for the full amount of its own bond, if necessary, regardless of the solvency of the other companies. Neither the city nor the surety companies is entitled to a preferred claim against the bank.

The case will probably be carried to the supreme court.

Beha New Jersey Speaker

J. A. Beha, general manager the National Bureau of Casualty & Surety Underwriters, will address the Bergen County (N. J.) Agents Association on automobile accident prevention at its meeting at Rochelle Park.

Bankers Life & Casualty Functions

Although a receiver has been appointed for the Bankers Casualty of Springfield, Ill., the Bankers Life & Casualty, an assessment concern, is still operating. The Bankers Life & Casualty was organized by the Bankers Casualty interests and was licensed Sept. 22, 1932.

Premiums and Losses in 1932 in TEXAS on All Casualty Lines

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses	Prem's.	Losses
Aetna Cas.	444,972	147,086	90,862	45,152	12,872	3,581	139,102	113,204	182,651	32,755	19,152	6,461	47,056	17,208	84,215	32,770
Aetna Life	414,384	256,701	54,896	23,607	62,736	16,238	139,102	113,204	182,651	32,755	19,152	6,461	47,056	17,208	84,215	32,770
Alliance Cas.	6,249	2,501	811	63	212	.....	1,290	163	1,506	1,031	20	288	1,139	107	972	813
American Auto.	126,827	77,482	93,290	61,447	.....	.....	.....	.....	1,506	1,031	20	288	1,139	107	972	813
American Bonding	27,651	.....	.....	.....	.....	.....	.....	.....	26,449	.....	447	.....	755	.....	33,538	16,035
American Employ.	61,077	62,445	13,013	9,484	4,321	194	20,169	44,803	12,092	3,916	1,300	451	3,107	1,050	5,951	2,001
Amer. Fid. & Cas.	161,704	119,537	117,031	108,784	.....	.....	10,036	2,239	.....	.....	58	125	.....	.....	34,568	8,004
Amer. Indemnity, Tex.	343,459	302,008	63,517	41,538	.....	.....	.....	.....	38,179	74,589	.....	.....	.....	.....	54,442	22,927
Amer. Mutual Liab.	25,438	12,519	2,523	605	998	.....	21,172	11,066	.....	.....	.....	.....	.....	.....	764	849
American Reins.	4,240	2,623	2,496	.....	946	.....	2,400	5	39	1,277	.....	.....	275	.....	82	.....
American Surety	295,002	225,360	16,263	1,976	9,262	6,186	10,762	17,238	223,549	155,343	1,542	462	25,989	43,018	7,635	1,139
Assoc. Indem., Calif.	339,566	223,446	19,736	8,742	8,661	1,124	291,077	202,706	470	1,351	2,033	681	258	15	17,056	6,383
Atlantic, Tex.	31,677	18,430	623	.....	.....	.....	.....	.....	.....	.....	492	118	.....	.....	850	515
Bankers Indem., N. J.	7,339	5,001	1,284	750	1,748	215	3,631	1,890	159	1,991	.....	.....	106	152	318	3
Car & General	7,434	2,003	4,721	1,690	.....	.....	.....	.....	.....	.....	.....	.....	122	68	2,049	246
Cas. Indem., Exchange.	2,938	.....	.....	2,938	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cas. Recip. Exchange.	103,503	83,294	15,250	16,129	2,827	2,250	75,050	59,804	.....	.....	.....	.....	.....	.....	10,375	5,110
Central Surety	90,826	57,884	28,130	26,508	5,960	928	13,140	17,346	9,899	1,222	12,357	3,592	5,712	2,402	12,748	5,471
Century Indemnity	58,308	36,929	25,947	8,360	6,171	2,465	6,672	9,756	9,473	14,108	308	175	1,293	963	4,653	123
Columbia Casualty	80,567	21,919	21,273	5,180	4,719	3	10,232	5,586	20,604	4,622	3,052	307	5,723	3,480	9,959	696
Commercial Cas.	434,431	195,226	119,980	43,577	28,333	4,443	148,657	93,866	28,810	12,095	19,008	6,725	14,427	6,399	41,293	13,078
Consolidated Cas.	82,967	75,981	.....	.....	.....	.....	83,967	75,981	.....	.....	.....	.....	.....	.....	.....	.....
Consolidated Indem.	10,232	5,641	7,794	2,585	125	.....	133	309	2,039	1,420	86	.....	176	50	4,140	946
Consolidated Und. Mo.	199,981	146,621	25,417	16,299	5,324	5,536	169,240	124,786	.....	.....	.....	.....	.....	.....	.....	.....
Continental Casualty	433,195	236,488	62,147	12,827	19,330	5,113	10,232	5,586	20,604	4,622	3,052	307	5,723	3,480	9,959	696
Eagle Indemnity	38,672	17,850	7,922	1,844	7,544	3,839	14,163	7,913	1,837	499	397	324	730	647	3,615	1,867
Employ. Cas., Tex.	471,868	310,406	113,016	75,211	74,527	49,461	33,203	32,451	23,463	52,801	2,883	915	.....	.....	62,812	25,748
Employ. Liability	537,945	306,779	76,288	33,993	56,715	41,418	311,599	201,274	33,993	8,700	3,366	1,620	13,237	5,915	27,606	10,516
Employ. Reinsurance	156,291	122,310	56,889	54,735	12,168	5,007	50,387	42,542	718	8,097	74	.....	2,321	450	14,260	81
Europ. Genl. Reins.	65,365	71,125	8,867	16,329	7,830	.....	143	.....	12,137	6,079	.....	.....	22,201	16,533	206	2,800
Excess	31,398	23,868	3,470	5,183	9,822	.....	27	3,750	13,395	14,243	.....	.....	250	1	3,157	597
Fidelity & Casualty	512,059	417,452	46,584	25,559	51,901	29,871	207,512	306,497	50,229	7,387	5,154	2,273	15,338	8,647	30,491	18,778
Fidelity & Deposit	313,207	196,262	.....	.....	.....	.....	291,214	189,764	291,214	189,764	1,328	60	20,664	6,438	.....	.....
Fireman's Fund	15,826	3,172	8,186	2,760	269	.....	563	.....	2,489	.....	58	.....	446	10	3,790	412
First Reinsurance	17,960	28,422	74	1,746	2,269	.....	.....	.....	517	.....	.....	.....	776	.....	44	.....
General Accident	157,765	113,908	47,434	31,196	21,123	6,336	35,976	50,935	.....	.....	3,962	2,900	8,690	8,240	26,451	10,071
General Reinsurance	68,118	50,504	29,869	1,590	9,721	1,796	8,560	1,796	.....	.....	8,634	5,472	.....	.....	320	6
Glens Falls Indemnity	82,004	39,161	22,567	11,243	5,414	825	12,350	16,170	14,269	5	4,360	969	5,638	1,235	10,921	5,168
Globe Indemnity	276,331	232,090	51,542	54,257	28,664	7,429	85,338	130,390	65,806	22,815	3,771	1,449	10,003	3,479	23,074	8,802
Great Amer. Indemnity	352,515	165,196	73,053	20,129	19,112	3,643	130,911	95,638	74,653	18,587	5,277	1,997	15,007	4,857	28,963	8,070
Gulf Casualty	112,840	70,851	.....	.....	.....	.....	112,840	70,851	.....	.....	.....	.....	.....	.....	.....	.....
Hardware Mut. Cas.	67,288	22,428	36,047	15,217	1,348	.....	.....	.....	.....	.....	6,637	2,754	3,158	646	20,076	3,808
Hartford Accident	828,735	446,545	128,007	86,915	64,982	19,694	346,574	245,398	143,754	35,511	7,865	2,649	45,654	20,890	65,889	24,891
Home Indemnity	181,295	132,565	67,790	28,763	5,677	6,633	53,087	57,863	11,025	10,856	875	1,552	2,917	3,268	22,885	14,669
Indemnity of No. Amer.	181,933	206,424	23,632	26,587	57,683	3,010	25,864	158,798	46,879	7,444	3,467	968	10,854	3,421	9,702	5,269
International Reinsurance	140,203	62,555	13,360	7,541	26,467	2,510	68,392	40,891	.....	.....	7,581	2,063	5,377	4,382	2,459	5,248
Liberty Mutual	21,736	12,909	2,424	192	3,450	1,820	15,037	10,717	.....	.....	.....	.....	245	7	580	173
Lloyds Amer., Tex.	29,734	95,740	7,190	25,681	4,323	7,521	13,280	24,438	20,288	33,202	12,922	3,291	3,700	134	1,154	2,248
Lloyds, N. Y.	8,898	3,645	2,418	1,678	1,086	3	3,734	1,091	.....	.....	.....	.....	55	268	1,194	273
London Guarantee	8,898	3,645	2,418	1,678	1,086	3	3,734	1,091	.....	.....	.....	.....	55	268	1,194	273
Lumber Mut. Cas., Ill.	61,530	28,690	26,862	10,907	1,945	.....	15,671	12,157	.....	.....	1,442	435	57	.....	14,074	3,136
Maryland Casualty	769,982	431,795	118,200	47,144	73,003	16,644	243,458	212,371	150,334	78,561	14,425	4,574	50,721	24,792	37,959	18,767
Massachusetts Bonding	271,315	123,972	27,813	9,581	8,803	3,910	3,628	2,147	129,733	47,537	4,125	734	7,872	2,791	11,652	3,662
Medical Prot.	29,813	10,985	.....	.....	29,813	10,985	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Metropolitan Casualty	439,961	253,613	81,427	26,254	28,732	10,094	175,795	146,148	78,732	36,697	15,580	4,615	20,910	18,618	17,712	7,854
National Casualty	57,461	14,337	14,886	609	3,116	199	5,402	1,030	97	2,192	180	.....	2,448	330	6,947	353
National Surety	494,152	397,551	.....	.....	.....	.....	429,000	348,996	2,713	1,917	62,438	46,638	.....	.....	35,003	13,995
New Amsterdam	427,721	284,350	83,353	38,758	43,457	17,319	74,100	114,659	130,011	71,496	14,874	6,732	27,674	14,478	.....	.....
New Century Casualty	3,914	1,177	.....	.....	.....	.....	.....	.....	.....	.....	3,914	1,177	.....	.....	.....	.....
New York Casualty	53,936	15,210	11,545	1,416	2,855	471	6,531	2,239	22,782	4,462	2,562	434	3,887	4,998	4,873	1,118
Norwich Union	2,354	10,042	220	.....	4	.....	1,304	8,949	.....						

(CONT'D FROM PRECEDING PAGE)

	Premiums	Losses
Southern Reserve.....	311	16
Southern Trav.....	4,515	1,645
Standard Acci.....	5,586	10,362
State Farm Life.....	104	.....
Sun Indemnity.....	41	.....
Travelers.....	137,539	55,150
U. S. Casualty.....	16,739	8,404
U. S. F. & G.....	28,018	18,526
Utilities Ins. Co.....	13	.....
Wash. Natl.....	560,629	262,570
Western Cas. & Sur.....	39	.....
Yorkshire Indem. Co.....	183	.....
Zurich.....	57,788	34,202

Total, 1932.....	\$4,188,776	\$2,934,466
Total, 1931.....	5,769,130	3,289,512

NON-CANCELLABLE H. & A.

	Premiums	Losses
Aetna Cas.....	94	.....
Aetna Life.....	2,088	3,438
Business Men's.....	11,805	12,231
Cont. Assur.....	11,767	4,035
Cont. Cas.....	21,712	12,243
Cont. Life.....	410	.....
Employ. Reins.....	12,324	8,300
First Reins.....	134	.....
General Reins.....	5,789	32,104
Great Northern Life.....	267	.....
Great Western.....	481	405
Loyal Prot.....	1,048	446
Mass. Prot.....	99,370	85,195
Monarch Life.....	12,128	6,801
Pacific Mut.....	175,081	209,068
Paul Revere Life.....	14,923	8,693
Reliance Life.....	2,278	1,000
Sentinel Life.....	1,104	60
Travelers.....	30	.....

Total, 1932.....	\$372,783	\$384,014
Total, 1931.....	361,561	363,270

CHECK FORGERY

	Premiums	Losses
General Indemnity.....	12,040	4,534
Total, 1932.....	\$12,040	\$4,534
Total, 1931.....	14,209	483

CREDIT

	Premiums	Losses
Amer. Cred. Indem.....	17,977	19,337
Employ. Reins.....	1,457	.....
International Reins.....	1,457	927
Total, 1932.....	\$20,891	\$18,410
Total, 1931.....	29,011	12,502

STEAM BOILER

	Premiums	Losses
Aetna Cas.....	109	.....
Amer. Employ.....	505	.....
Amer. Reins.....	14	.....
Columbia Cas.....	2,592	.....
Consol. Indem.....	121	331
Eagle Indem.....	114	.....
Employ. Liab.....	7,025	.....
Europ. Genl. Re.....	107	.....
Excess.....	106	.....
Fidelity & Cas.....	2,483	.....
General Acci.....	2,681	.....
Globe Indem.....	947	.....
General Reins.....	61	.....
Hartford S. B.....	98,385	35,225
International Reins.....	631	.....
Lloyds, N. Y.....	130	.....
London Guar.....	157	.....
Maryland Cas.....	14,351	170
Ocean Acci.....	9,696	2,645
Royal Indem.....	3,671	.....
Travelers Indem.....	3,101	100

Total, 1932.....	\$144,801	\$38,471
Total, 1931.....	182,945	14,358

ENGINE AND MACHINERY

	Premiums	Losses
Aetna Cas.....	385	.....
Columbia Cas.....	1,230	1,822
Eagle Indem.....	166	.....
Employers Liab.....	639	426
Excess Ins. Co. of Amer.....	1,121	.....
Europ. Genl. Reins.....	19	.....
Fidelity & Cas.....	200	.....
Globe Indem.....	91	.....
Hartford S. B.....	69,324	23,967
International Reins.....	87	.....
Lloyds, N. Y.....	792	.....
London Guar.....	285	.....
Maryland Cas.....	184	135
Ocean Acci.....	8,602	1,331
Royal Indem.....	2,349	.....
Travelers Indem.....	3	.....

Total, 1932.....	\$83,005	\$27,681
Total, 1931.....	106,104	29,308

SPRINKLER LEAKAGE

	Premiums	Losses
Aetna Cas.....	5,793	1,275
Maryland Cas.....	996	6
U. S. F. & G.....	566	344
Total, 1932.....	\$7,355	\$1,625
Total, 1931.....	9,032	670

LIVE STOCK

	Premiums	Losses
Car & General.....	542	.....
Hartford L. S.....	2,169	1,982
Total, 1932.....	\$2,711	\$1,982
Total, 1931.....	6,602	2,613

Representation Is Arranged

The newly organized Kraft-Kafka Agency of Chicago has taken on the representation of the Standard Surety & Casualty as well as the Central Surety and Trinity-Universal. G. A. Mavon, general agent for the latter two companies, made the appointment for those companies.

CHANGES IN CASUALTY FIELD

Supplee Is Now in Charge

Takes the Management of the United States Fidelity & Guaranty at Pittsburgh

Howard Shaw, who has resigned as manager of the Pittsburgh branch of the United States Fidelity & Guaranty, being succeeded by A. C. Supplee, has long been in the business. At the dinner given in honor of Mr. Shaw, Mr. Supplee stated that he had been in close contact with him for 19 years. Chairman of the Board R. H. Bland was present and spoke. W. E. Stumpf, superintendent of the casualty department, presented Mr. Shaw with a loving cup as a gift from the men in the office. Mr. Bland on behalf of the company presented Mr. Shaw with a silver vase as well as an honor certificate of 25 years continuous connection.

Joins Western & Southern

John R. Vaughn, formerly manager of the automobile underwriting depart-

ment for the Central West Casualty, has been appointed supervising underwriter for the Western & Southern Indemnity, assisting Underwriting Manager N. H. Bretz. Mr. Vaughn was with the Central West Casualty since its organization in 1924.

He was formerly secretary of the Casualty & Surety Field Club of Michigan.

Kelly Is St. Louis Manager for Continental Assurance

John L. Kelly has been appointed manager of the St. Louis branch of the Continental Assurance and Continental Casualty at 1103 Boatmen's Bank building.

Mr. Kelly has been manager of the St. Louis office of the Continental Life of St. Louis. He has been succeeded in that position by J. B. Shinn.

Mr. Kelly, a native of St. Louis, is 37 years old and started his life insurance career in 1923, in the administra-

tion department of the home office of the Missouri State Life. After handling group insurance work for the Missouri State in Pittsburgh and Gary, Ind., he went to Detroit as agency special and later was made assistant manager. In 1929 he joined Continental Life.

Production Offices Opened by U. S. Fidelity & Guaranty

President Davis of the U. S. Fidelity & Guaranty announces the establishment of five new service production offices and their managers:

Rochester, N. Y.—A. J. Lochte, formerly field supervisor at Syracuse branch and prior thereto with the Newark branch office.

Knoxville, Tenn.—C. L. Vaile, formerly home office field assistant and special agent at Indianapolis.

Davis Alabama State Agent

Nashville—W. E. Atkinson, formerly assistant manager at Memphis branch.

Memphis—W. B. Nelson, formerly assistant manager at Memphis and prior to that with the St. Louis office.

Little Rock, Ark.—Fred C. Dabney, formerly field supervisor at Memphis.

Mr. Davis has also announced that Lee McGriff, former manager at Bir-

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mingham, has been named state agent for Alabama.

At Helena, Mont., Charles McCoy has been appointed assistant manager. He has been Montana deputy insurance commissioner for the past three years.

J. E. Leene Succeeds Waite

J. E. Leene has been appointed casualty manager of the South Bend, Ind., office of the Travelers to succeed L. A. Waite, resigned. Mr. Leene joined the Travelers in 1917 as special agent at Detroit. After the war he became special agent in Manchester, N. H., and in 1920 became assistant manager there. He was subsequently assistant manager at Pittsburgh, Worcester, Mass., Hartford and Waterbury, Conn., from which office he goes to his new position at South Bend.

Lodding With Miles Agency

Harry A. Lodding, special agent for the Western & Southern Indemnity in Chicago for several years through an arrangement with the home office has gone with Miles & Miles, general agents for that company in Chicago, as special agent. Mr. Lodding has been a Chicago casualty man since 1911 when he started with the Employers Liability. In 1922 he helped to open the Georgia Casualty branch in Chicago and became underwriter.

New Chicago Agency

The Western Insurance Agency has been established in the Insurance Center building, Chicago, by L. S. Hanchek, Jay D. Smith and W. T. Peters. Mr. Hanchek was formerly manager of the American Preferred Risk Underwriters of Chicago and before that was Chicago manager for the Ohio Casualty. Mr. Peters is his brother-in-law and he was also formerly connected with the Ohio Casualty in Chicago.

Mr. Smith was formerly with the Bankers Indemnity in Chicago.

The office represents the Union of Indiana on a general agency basis and arrangements are being completed with other companies.

Freiberger With Norwich Union

The Norwich Union Indemnity has appointed Karl F. Freiberger as field representative in Ohio. Mr. Freiberger entered the insurance field in 1920 and traveled Kentucky and Tennessee as special agent for the American Surety. He later joined the Massachusetts Bonding as casualty underwriter and field man in Ohio.

New Amsterdam Appointment

The E. A. Piepenbrink agency of Milwaukee, which has been representing the Central West Casualty, has been appointed general agent for the New Amsterdam Casualty. This is an outstanding agency, having considerable business in Milwaukee as well as a sub-

agency plant throughout the state. Mr. Piepenbrink has been in the insurance business for 26 years, 20 years in the agency business.

Meador, Day Now Trustees

J. J. Meador, vice-president and general manager of the United States Cas-

ualty, and George E. Day, vice-president of the United States Casualty and of the New Amsterdam Casualty, have been elected to the board of trustees of the U. S. Casualty.

Frank M. Bullen, manager of the liability and compensation department of the U. S. Casualty, has been made assistant secretary of that company.

WORKMEN'S COMPENSATION

Denies Disease Elimination

Kansas Insurance Department Holds Present Rates Included Occupational Ills—Won't Approve Segregation

TOPEKA, KAN., April 19.—The Kansas insurance department has denied the application of the companies writing compensation in Kansas for an interpretation of the law that would take occupational diseases from the workmen's compensation act. The companies sought to have a declaration made providing for alternative clauses to be inserted in the policies. One clause would deny any protection to the employee for occupational diseases and the other would provide this protection upon the payment of an additional premium by the employer.

Commissioner Hobbs held that as the occupational diseases are protected under the common law and that compensation rates have been based upon the experience with occupational diseases included that the change should not be made in the contracts at this time.

Reinsurer of Self-Insurer Held Liable by N. Y. Court

An interesting decision as to the liability of a reinsurer of a compensation self-insurer has been rendered by the United States circuit court of appeals for the second circuit (New York) in Empire Carting Company vs. Employers Reinsurance.

The Empire Carting Company was the self-insurer under the New York law. Its liability in excess of \$1,000 as the result of any one accident was reinsured in the Employers Reinsurance. An employee of the carting company was injured and died. An award was made to his dependents, payable in bi-weekly installments. The carting company made payments until \$1,000 had been paid and then the Employers Reinsurance began to make payment. Later the New York industrial commission notified the carting company that the deposit it made to qualify as a self-insurer must be increased by \$6,500. The carting company did not comply with this notice. Subsequently the industrial board computed the then present value of the award at \$6,746 and ordered that amount paid into the aggregate trust fund. The carting company claims that the Employers Re-

insurance is liable to make the payment into the trust fund.

The circuit court of appeals held that the fact that the industrial board fixed the amount when professing to act in accordance with the law is prima facie sufficient and the court held that the Employers Reinsurance did not show facts sufficient to entitle it to defend. The allegation that the carting company failed to live up to an agreement to maintain its status as a self-insurer is only argumentative, according to the court.

Revised New Jersey Rates to Be Effective on June 30

New rates, rules and underwriting conditions will be put into effect for compensation insurance in New Jersey as of June 30, according to A. R. Lawrence, chairman Compensation Rating & Inspection Bureau of New Jersey. Mr. Lawrence states that the governing committee has recommended to the New Jersey insurance commissioner that present rates be withdrawn as of June 30, to be replaced by a new schedule more truly reflective of all conditions of loss cost as brought down to Dec. 31, 1932. The expectation is that complete revision of rules, rates and underwriting conditions can be released on or before the first of May. The revision is expected to include a new and distinctive treatment of the negligence liability insurance coverage afforded under paragraph 1(b) of the standard policy contract. For this purpose special endorsement form and revision of the New Jersey standard compensation law endorsement are in preparation.

Stone Cutting Increase Denied

MADISON, WIS., April 19.—Approval of an increase in rates requested by the Wisconsin Compensation Rating & Inspection Bureau for "stone cutting and polishing" was denied by the compensation insurance board.

About two years ago the rate was increased 40 percent on account of the sudden and heavy increase in silicosis claims. When the board approved the occupational disease schedule rating plan Feb. 15, 1933, providing for a 50 percent loading in the rate for this class, it says it understood that this was to replace the 40 percent factor, making a net increase of 10 percent. The bureau's survey of the 1931 and 1932 ex-

perience in this classification indicated that the present rate was inadequate by approximately 25 percent without considering the application of the 50 percent schedule plan loading, and the rating committee of the bureau voted to apply the 50 percent loading without removing the 40 percent, which the commission disapproved.

Borrow \$100,000 in Ohio

COLUMBUS, April 19.—The Ohio industrial commission, which was authorized by the Ohio legislature to borrow up to \$100,000 to pay compensation claims, has borrowed \$100,000 from a Columbus bank and has established a line of credit amounting to \$400,000. The commission had been raising money on securities deposited with it, but when the market slumped it decided not to sacrifice these securities but to borrow money instead. Workmen's compensation and teachers' retirement funds are all in Columbus banks, which are open and transacting business. However, the state has about \$2,500,000 in Ohio banks which have not reopened.

North Dakota Still in "Red"

BISMARCK, N. D., April 19.—Claims paid by the North Dakota compensation bureau the first three months of this year again exceeded premiums. Payments were \$129,919 and receipts \$114,110.

Figures announced earlier for the first quarter of 1933, as compared with former years, appeared more favorable than they do now after receipts and expenditures have been computed, Manager Wenzel said.

Coverage for Target Risks

Should Illinois adopt a method for securing coverage for workmen's compensation risks that are difficult to place it will be the seventh state to effect such an arrangement, the others being Georgia, Minnesota, North Carolina, New Jersey, Vermont and Wisconsin.

PERSONALS

Under the direction of Mildred B. Pressman, librarian of the National Bureau of Casualty & Surety Underwriters, the sixth annual index to current literature dealing with casualty insurance and related subjects on file in the office has been prepared, and will be found highly useful to anyone seeking data on the topics covered.

C. F. Frizzell, vice-president and general manager of the Indemnity Insurance Company of North America and Alliance Casualty, has been given an extended leave of absence to the end of the year on account of impaired health. Mr. Frizzell had a physical breakdown and has been in southern California endeavoring to get back into

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help is
needed?

form. He is now at his home in Philadelphia.

As already announced, the Alliance Casualty will merge with the Indemnity of North America, its business being re-insured in the parent company. The North America will add \$1,500,000 to the resources of the Indemnity of North America, thus increasing its surplus.

Richard H. Thompson, vice-president of the Maryland Casualty, is on a trip

through the middle west, visiting general agents and branch offices.

C. D. Livingston, president of the Lloyds of New York, and former insurance commissioner of Michigan, spent the Easter holidays with his family in Detroit.

United States Manager E. C. Stone of the Employers Liability has sailed for London, where he will visit the head office.

ACCIDENT AND HEALTH FIELD

Cardiac Disability Increasing

Dr. C. C. Maher Explains Causes and Effects of Heart Impairments in Address to Claim Men

Speaking on "Cardiac Disability" at the April meeting of the Chicago Claim Association, Dr. C. C. Maher, well known Chicago heart specialist, gave a very interesting and illuminating review of the various forms of heart disease and their effect on the heart and arteries, giving all his explanations in non-technical language and illustrating them by blackboard diagrams. He pointed out that there has been a decided increase not only in deaths but disability from heart disease, which makes the matter of especial interest to accident and health men.

He gave especial attention to the age groups in which the various classes of heart trouble first develop and the ages at which they are most likely to cause disability. He said that a man who has suffered a severe heart attack is not necessarily disabled, but the heart will eventually fail to do its full work. He might prolong his life to some extent by refraining entirely from active work, but the question of whether or not he should do so is one to be decided on the circumstances of each individual case.

Cardiac Neurosis Difficult

He took up at some length the cases of cardiac neurosis, which are especially difficult for both the doctor and the claim man to handle. In these cases the heart becomes a mirror of the man's surroundings. A mental and nervous condition may bring about all the symptoms of some of the more serious forms of heart disease, although an examination will show no actual impairment or derangement of the heart itself. These people are not malingerers, but actually believe that they have the trouble of which they complain.

He also pointed out that recent investigation has indicated very strongly that there is a hereditary tendency toward heart disease in many cases and suggested that further investigation of family history would be advisable and that a person is not a desirable risk when any other cases of heart trouble are found in the immediate family.

Two More Speakers Listed for Meeting of Conference

Two more speakers have been announced for the annual meeting of the Health & Accident Underwriters Conference in Chicago, June 5-7. Dr. R. G. Leland, director of the bureau of medical economics of the American Medical Association, will speak on medical and hospital insurance. His address is expected to be of especial interest in

view of the fact that a special committee of the conference is now studying this subject, including both the report of the committee on cost of medical care and the development of hospital insurance plans, recently endorsed by the American Hospital Association. This committee is to make its report at the June meeting.

Paul W. Watt, secretary Washington National, will speak on group accident and health insurance. He is well known as a group insurance expert, having been with the group department of the Aetna Life for many years before joining the Washington National.

American Bankers Quitting Weekly Accident and Health

The American Bankers is retiring from the weekly premium health and accident field and has instructed its industrial managers to discontinue writing new industrial health and accident business and taking renewals on it, effective April 10. The company has found this class of business unprofitable, due, it is understood, to the fact that its debits were so widely scattered. Its weekly accident and health premiums in 1931 totaled about \$380,000.

The company announced that it has not disposed of its monthly premium and commercial health and accident business and that it is continuing the writing of industrial and ordinary life as usual. More than 65 percent of its industrial business is now industrial life.

McGary with Monarch Life

Earl W. McGary has resigned as manager of the casualty department of the Metropolitan and Commercial Casualty in Los Angeles to become southern California manager of the Monarch Life, succeeding C. B. Ballard, who has been transferred to Rock Island, Ill., as manager. Mr. McGary has been with the Commercial and Metropolitan for four years and was formerly with the Ocean Accident. He was secretary of the Accident & Health Managers Club of Los Angeles last year and is now vice-president.

Must Endorse Limited Policies

A ruling just issued by Superintendent Palmer of Illinois, directed to all accident and health companies operating in that state, effective June 1, requires that any policy "providing limited coverage" shall have the words: "This is a limited policy. Read it carefully," stamped on the face of the policy. There is no definition of what constitutes "limited coverage," and some of the companies may seek clarification of that point, as there are very few policies which are not limited in some respect.

The ruling also requires that any policy containing a wrecking clause shall have stamped on its face: "The words

'wrecking or disablement of' or 'material injury to' any automobile, elevator or conveyance, as stated in this policy, shall be an injury which necessitates repair in order to place the conveyance in as good condition as existed before the accident."

Plan Third Sales Congress

LOS ANGELES, April 19.—The Accident & Health Managers Club of Los Angeles has decided to hold its third sales congress preceding Accident & Health Insurance Week, which it is expected will be proclaimed by Governor Rolph for the week of June 5-10. Earl W. McGary, Monarch Life, vice-president of the club, was appointed general chairman.

To Have New Home Office

The American Life & Accident of St. Louis has purchased a 32-room residence

at 3805 Lindell boulevard in that city and will remodel it for use as a home office. The building is only a short distance from the home office of the Central States Life.

McCurdy Field Superintendent

M. E. McCurdy, for years with the Kentucky Central Life & Accident at Paris, Ky., has been promoted to field superintendent for a large part of central Kentucky, with office in Louisville.

Gets Out Two New Policies

Two new policies have been issued by the Northwestern Life & Accident of Seattle. One is the "capital" accident form and the other an accident policy for housewives, professional and business women, which pays up to \$300 for medical and hospital expense, with indemnities ranging from \$375 to \$1,500 for dismemberment or loss of life, doubling for transportation accidents.

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COMPLETE
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FIRE--WINDSTORM
FIDELITY & SURETY BONDS

NEWS OF THE COMPANIES

Bankers Indemnity Bolstered

Capital Is Reduced \$300,000 and Surplus Contribution of \$500,000 Is Received from American of Newark

The directors of the American of Newark have voted to reduce the capital of the Bankers Indemnity by \$300,000 and in addition to cause the American to contribute \$500,000 to surplus of the Bankers Indemnity. The American owns the Bankers.

Fortified by \$800,000

Capital of the Bankers Indemnity is now \$1,100,000. It is being reduced to \$800,000 and the difference will be assigned to surplus. With a contribution of \$500,000 from the American, the surplus of the Bankers Indemnity will be fortified to the extent of \$800,000.

On the basis of convention valuations, at the end of 1932, the Bankers Indemnity showed a surplus of \$700,000.

President H. P. Jackson of the Bankers Indemnity, in his report for the first quarter, stated that premiums have increased, improved underwriting has continued and expenses have been reduced.

Utilities, Mo.—Assets, \$730,365; unearned prem., \$181,989; loss res., \$12,180; liab. res., \$118,641; comp. res., \$71,542; capital, \$200,000; surplus, \$102,610. Experience:

Accident	\$ 2,162	\$ 606
Auto Liability	331,832	125,423
Other Liability	53,304	13,165
Workmen's Comp.	130,134	71,524
Plate Glass	5,023	346
Burglary and Theft ..	3,755	585
Auto Prop. Damage ..	100,919	30,506
Auto Collision	47,761	16,566
Other P. D. and Coll. ..	9,805	1,246
Miscel. Auto	3,485	1,082
Total	\$ 688,180	\$ 261,048

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experiment with automobile insurance this year.

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American Surety's 50th Year

On April 14 Well Known New York Company Entered Its Golden Anniversary Year

The American Surety on April 14 entered its 50th year in the business. From its earliest days, the American Surety has been a leader and pioneer in its field. An extensive organization has been developed over the years at a cost of millions of dollars and its executives are outstanding men in the surety and casualty field. Its growth has been steady and accumulative, indicating a basis of good judgment.

The American Surety has been active in the education of agents and brokers on various phases of suretyship and casualty. It writes fidelity and surety, burglary, robbery, forgery and plate glass, automobile, compensation and general liability.

The American Surety has a reputation for prompt settlement of losses and rendering service of the highest type.

Union Indemnity Receivers File Inventory of Assets

NEW ORLEANS, April 19.—C. W. Beckner and S. S. Levy, receivers for the Union Indemnity and its three subsidiaries, have filed in civil court their first report on the receipts and disbursements of the four companies since they took charge Jan. 6, showing: Union Indemnity, receipts \$74,332, disbursements \$30,604; Union Title Guarantee, receipts \$120,948, disbursements \$2,001; Insurance Securities, receipts \$5,877, disbursements \$5,619; LaSalle Fire, receipts \$26,255 and disbursements \$1,707.

Assets of the Union Indemnity as of Jan. 6 are estimated at \$5,716,132, of which more than one-half is pledged as collateral on loans. The statement does not include liabilities. Bonds, stocks, mortgage notes and other securities are valued at \$3,883,154. Of this group, securities valued at \$2,509,444 are pledged to the Reconstruction Finance Corporation and \$572,649 to the Hibernia Bank & Trust Company. The unpledged securities of the company are valued at \$100,141. Cash on hand and in banks is valued at \$553,900. Of this item \$529,600 is listed as amounts which the receivers may reasonably expect to recover from banks which closed prior to Jan. 6.

Securities deposited with state treasurers are valued at \$684,374. Re-insurance recoverable from other concerns is listed as \$200,479, and re-insurance received is listed as \$17,709. Outstanding balances are listed at \$884,480. Of this amount \$200,723 is owed by the Hartwig Moss agency of New Orleans, of which W. Irving Moss is president. Furniture, fixtures, office equipment and supplies in the Union Indemnity building and the warehouse at 741 Magazine street are valued at \$30,849. Cash surrender value of life insurance policies carried by the company on the lives of its officers is listed at \$29,781. Deposits, accounts receivable and other assets are set at \$95,987.

New Setup of Madison

Dr. A. P. Warman, physician and surgeon of Indianapolis, has been elected president of the Madison to succeed B. A. Murrelle, who is still president of the Mid-West.

B. C. Murrelle has resigned as vice-president of the Madison and is succeeded by J. R. Tucker, who has been associated with Bradstreet's. W. W. Tapp has resigned as secretary and is succeeded by Col. W. A. Shumate, Sr., of Louisville.

The interests of B. A. Murrelle and others of Louisville in the Madison have been acquired by the new officers and their associates. The executive offices

of the Madison will remain at Jeffersonville, Ind., in the building formerly occupied jointly with the Mid-West, which has moved its head office to Indianapolis.

G. H. Tomlinson of Indianapolis has been sent to San Francisco to take charge of the Madison's northern California office under E. A. Kenney, resident vice-president for California. Southern California operations are under R. L. Vickrey of Los Angeles.

Ask Rehearing on Receivership

LANSING, MICH., April 19.—A rehearing will be asked in the supreme court here in the Michigan receivership of the Southern Surety.

Ralph Wade, second deputy commissioner, was apparently displaced as receiver by a recent opinion of the court that the proceedings in Ingham circuit court here, started by former Commissioner Livingston, were void because the Wayne circuit court had already assumed jurisdiction. The opinion held that the Equitable Trust Company of Detroit was the legally appointed receiver.

Mr. Wade had taken possession of the Michigan assets and has been handling the Michigan claims in cooperation with the New York receiver. The Equitable Trust is itself under a conservator and a transfer of the receivership at this time is seen as embodying many complications.

Fix Reciprocal Liability

AUSTIN, TEX., April 19.—In the suit involving the Lumbermen's Reciprocal of Houston, filed by Wright Morrow of Houston, receiver and trustee, against 35 former subscribers and policyholders, judgment has been rendered, holding all former subscribers liable for an assessment of 33 percent of their premiums for the period of insolvency, beginning July 1, 1929, and ending with the appointment of a receiver July 31, 1930, or about 13 months. The total is approximately \$625,000.

The association operated in 17 states, about half of the business being in Texas and a considerable amount in Oklahoma, Louisiana and Missouri.

The Columbia Casualty is withdrawing from North Carolina. It is understood that this withdrawal comes on account of the new North Carolina state law on requirement of security deposits.

More Accident and Health Figures for Indiana Given

In the Indiana casualty table, published April 6, the figures for all of the accident and health companies were not available. The Monarch Life had \$14,276 in accident and health premiums and \$8,285 in losses. Its "non-can" premiums totaled \$51,713 and losses \$41,141. The Empire Life & Accident had \$402,242 in accident and health premiums with \$200,189 losses. The premiums and losses for a number of assessment companies are given below. This brings the total accident and health premiums in Indiana in 1932 to \$4,098,866 with \$2,574,816 losses and the "non-can" premiums to \$486,141 and losses \$423,627. The grand total of casualty premiums in Indiana as now corrected is \$15,328,354 and losses \$9,292,298.

Indiana Assessment Companies		Premiums	Losses
Amer. Income	\$ 24,392	\$ 9,103	
Amer. Natl. Assur.	5,902	3,374	
Amer. Standard	22,927	11,916	
Amer. Travelers	33,435	12,790	
Church Memb. Relief ..	126,117	54,336	
Commonwealth A. & I. ..	2,763	112	
Indemnity L. & C.	34,648	13,350	
Indiana Mutual Life	2,678	.....
Indiana Travelers	66,543	49,890	
Jeffersonville Mut. Prot. ..	1,447	1,050	
Old Equity	7,385	821	
Physicians Prot.	68,262	24,736	
Rex Health & A.	23,587	5,083	
World Life & Acci.	16,501	6,223	
Out of State Companies			
Central Cas. O.	\$ 744	\$ 216	
Central Health, Neb.	1,680	623	
Fidelity H. & A. Mich.	45,036	23,851	
Industrial Cas. Ill.	17,724	7,229	
Mut. Ben. H. & A. Neb.	148,684	90,677	
National Acci. N. Y.	867	288	
Woodmen Acci. Neb.	78,559	49,382	

Expect Decision Shortly on Globe & Rutgers Case

(CONTINUED FROM PAGE 6)

ance arrangement effected by the Stuyvesant of the net liability previously carried on its account by the Globe & Rutgers with the Pearl, many agents of the Stuyvesant requested reinstatement of policies that had previously been ordered canceled. How the business taken over by the Pearl is to be handled has not been fully worked out, nor has the future of the Stuyvesant been determined.

J. S. Frelinghuysen, president of the Stuyvesant, stated it would continue to operate, though in a restricted territory and in a limited manner.

When the alliance between the Globe & Rutgers and Stuyvesant became operative the Stuyvesant had to join the Western Underwriters Association, of which the Globe & Rutgers was already a member. As the Stuyvesant had been a free lance institution in the west up to that time, its representation was surrendered by a number of agencies. As the Pearl is a non-association company it cannot enter any of the W. U. A. agencies save in excepted cities.

Whether the Stuyvesant should now undertake to sell preferred stock and thereby add to its capital structure or reduce its present capital without seeking further funds is one of the several questions respecting the future of the company that is undetermined.

The Pearl has reinsured the Canadian business of the Stuyvesant as well as its United States business. The contract provides that all of the net retained liability of the Stuyvesant is hereby reinsured by the Pearl. The Stuyvesant is retiring from Canada. It had previously ceased writing business there.

The Burch-Hodges-Stone agency of Martinsville, Va., and other creditors have instituted receivership proceedings in the circuit court of Richmond against the Globe & Rutgers and Globe Underwriters Agency. The petitioners asserted that they had sustained losses through cancellation of policies issued by the G. & R. and that they feared other cancellations were imminent. They asked that \$60,000 in bonds which the defendants had on deposit with the treasurer of Virginia be subjected to liens to protect them from loss.

Ask 30 Days' Delay

At a conference of the rehabilitation committee of the Globe & Rutgers yesterday a resolution was adopted urging Superintendent Van Schaick and the supreme court to postpone decision as to the future of the company for 30 days, by which time it is believed Congress will have acted on the bill authorizing the Reconstruction Finance Corporation to acquire preferred stock in the institution. It was further decided to employ counsel to present the appeal.

The committee stated that "an informal canvass of the larger creditors of the Globe & Rutgers recently indicated that holders of the larger part of the claims against the company for losses and return premiums will assent to the committee's plan of April 10, indicating that the effort to put through the plan will not be futile, but on the contrary will probably be effective, so that the company can resume business in due course."

Further arguments were heard Monday in New York City by the officials and attorneys of the Globe & Rutgers on their plan for reorganization. They were granted an extension until Thursday afternoon of this week to file final papers. Grenville Clark represented the company and J. C. H. Flynn, assistant attorney general, and J. C. Farber, special counsel, represented the state.

Must File Policy Forms

The Illinois insurance department has requested all companies licensed in Illinois which have not already furnished copies of their policy forms to file them within 30 days.

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